

Health Care in Massachusetts: Key Indicators

August 2008

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Commonwealth of Massachusetts
Timothy P. Murray
Lieutenant Governor



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About this Report

Health Care in Massachusetts: Key Indicators is a quarterly report from the Division of Health Care Finance and Policy. *Key Indicators* provides an overview of the Massachusetts health care landscape through data reported by providers, health plans, government, and through surveys of Massachusetts residents and employers. The Division received positive feedback from readers of prior editions of this report and has incorporated suggestions for improvement where possible. We continue to strive to make this report as useful as possible and welcome your feedback.

In this edition of *Health Care in Massachusetts: Key Indicators*, the Division found that since the implementation of health reform over 439,000 additional people have obtained health insurance. Nearly half of that growth (191,000) has been in private group coverage (i.e., through employers) or individual purchase. In the first quarter of the Health Safety Net, volume in hospitals and community health centers decreased by 37% compared to the same period in the prior year. Payments decreased by 41% over the same period. This edition also includes updates of the following: cost trends in health insurance premiums compared to the Commonwealth Health Insurance Connector Authority's new affordability schedule for 2008, health plan financial performance, hospital financial performance, community health center financial performance, and other indicators of health care in Massachusetts. New to this edition is detailed information on individual community health center financial performance. New data are currently unavailable for the employer survey and the access to care charts; these pages are carried over from the previous edition.

The Division would like to thank Nancy Turnbull of the Harvard School of Public Health for her strategic and analytic support in the conception and development of this report, and staff at the Department of Public Health, including Monica Valdes Lupi, Bruce B. Cohen, Gerald O'Keefe, and Zi Zhang (formerly of DPH) for their significant contributions to the health care access section. We also thank Robin Callahan and Ben Walker from the Office of Medicaid, Bob Carey and Kaitlyn Kenney at the Commonwealth Health Insurance Connector Authority, Randy Garten from the Executive Office of Elder Affairs, Nancy Schwartz at the Division of Insurance, and Catherine Moore at the Group Insurance Commission for their support and review of the data. Finally, we thank the staff at the health plans for their timely responses to our requests for enrollment data.

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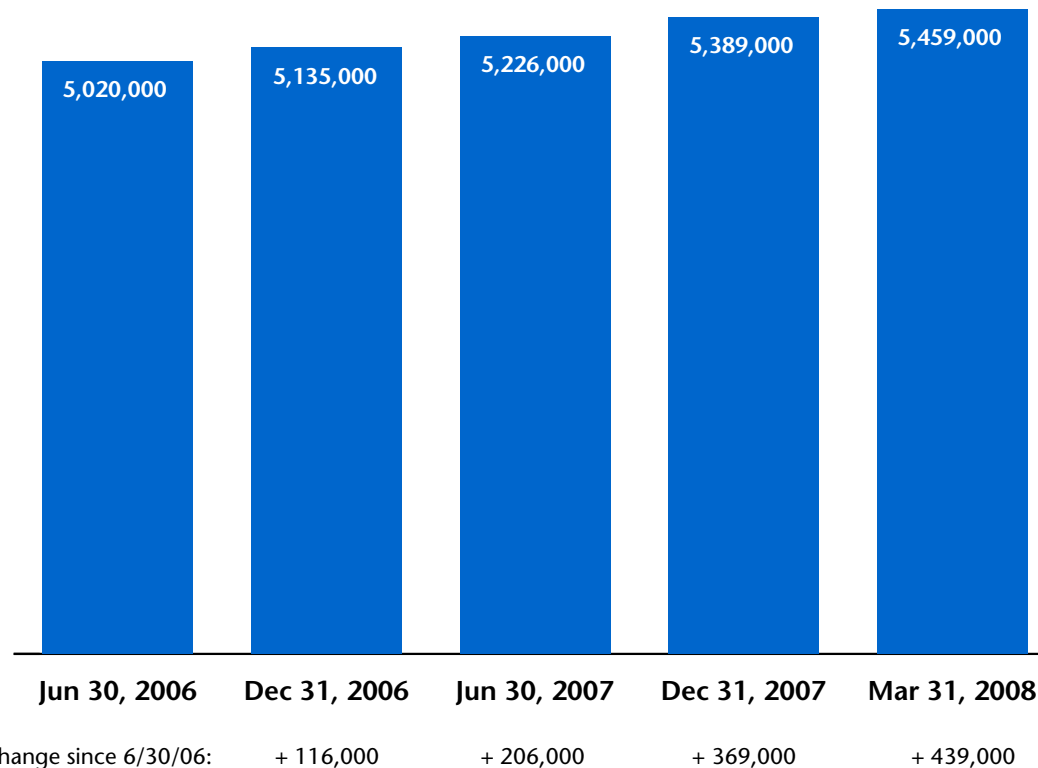
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People with Health Insurance

Excludes Medicare Enrollees



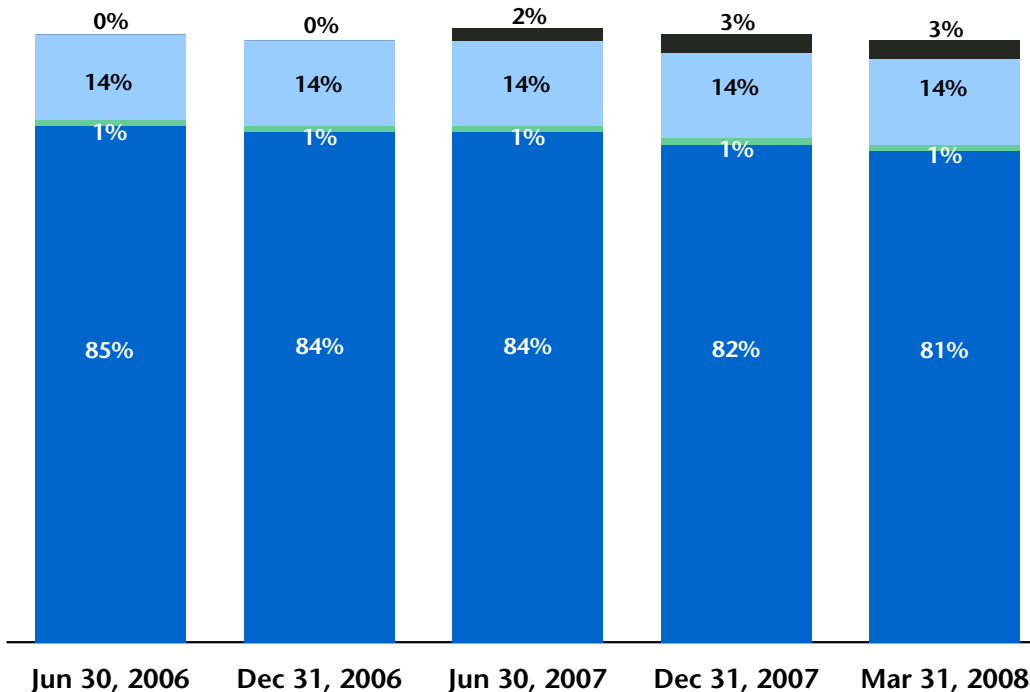
Notes: Data reflect total enrollment, rounded to the nearest thousand, as of the specified date. Totals include all Massachusetts residents enrolled in the following health plans: Aetna Health Inc. (a Pennsylvania Corporation), Aetna Life Insurance Company, Blue Cross Blue Shield (BCBSMA, HMO Blue and Massachusetts residents insured through other Blue Cross Association plans), Boston Medical Center HealthNet Plan, CIGNA, ConnectiCare, Fallon Community Health Plan, Group Insurance Commission (GIC), Harvard Pilgrim Health Care (HPHC) including subsidiary Health Plans, Inc., Health Markets (MEGA Life and Health Insurance Company, Mid-West National Life Insurance Company of Tennessee, and the Chesapeake Life Insurance Company), Health New England, MassHealth, Neighborhood Health Plan, Network Health, Tufts Health Plan, and United Health Care. GIC may include a small number of enrollees who are not Massachusetts residents. Data exclude the following insured Massachusetts residents: federal employees not insured through a commercial carrier, active duty military personnel and their families who receive services through Champus/Tricare only, and inmates of the Department of Correction.

Sources: Membership reported to DHCFP by health plans, MassHealth, and the Group Insurance Commission; Commonwealth Care enrollment data from the Commonwealth Health Insurance Connector Authority.

The number of people enrolled in private or subsidized health insurance plans has increased by 439,000 people since health care reform was implemented.

Insured Population by Type of Insurance Excludes Medicare Enrollees

Private Group Individual Purchase MassHealth Commonwealth Care



Since the implementation of health care reform, enrollment in private insurance has grown by more than 191,000.

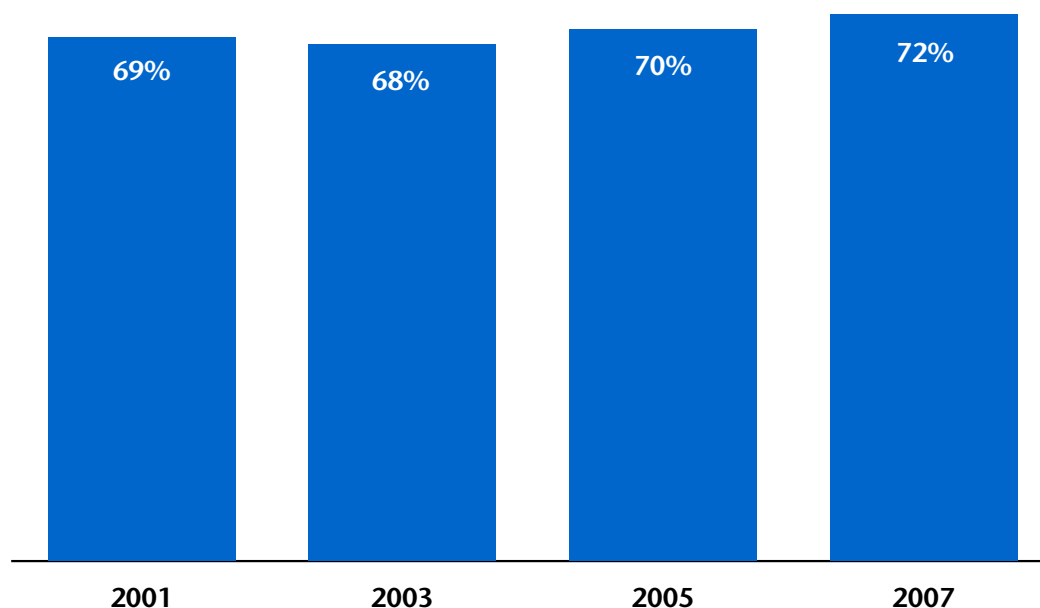
Number of Members (rounded to the nearest 1,000):						Change Since 6/30/06:
Private Group	4,274,000	4,338,000	4,378,000	4,405,000	4,433,000	+ 159,000
Individual Purchase	40,000	39,000	36,000	65,000	72,000	+ 32,000
MassHealth	705,000	741,000	732,000	760,000	777,000	+ 72,000
Commonwealth Care	0	18,000	80,000	158,000	176,000	+ 176,000
Total Members	5,020,000	5,135,000	5,226,000	5,389,000	5,459,000	+ 439,000

Note: Private group includes large group, small group, and self-insured. Individual purchase includes Commonwealth Choice and residual non group market. Since 6/30/06 the MassHealth caseload grew approximately by an additional 39,000 members with partial coverage or premium assistance, such as Seniors, MassHealth Limited, individuals with third party liability (e.g. disabled with Medicare), and Family Assistance/Insurance Partnership (these members are counted in the private plans). Commonwealth Care includes enrollment in Boston Medical Center HealthNet Plan, Fallon Community Health Plan, Neighborhood Health Plan, and Network Health. Data reflect total enrollment, rounded to the nearest thousand, as of the specified date. Totals include all Massachusetts residents enrolled in the following health plans: Aetna Health (a Pennsylvania Corporation), Aetna Life Insurance Company, Blue Cross Blue Shield (BCBSMA, HMO Blue and Massachusetts residents insured through other Blue Cross Association plans), Boston Medical Center HealthNet Plan, CIGNA, ConnectiCare, Fallon, Group Insurance Commission (GIC), Harvard Pilgrim Health Care (HPHC) including subsidiary Health Plans, Inc., Health Markets (MEGA Life and Health Insurance Company, Mid-West National Life Insurance Company of Tennessee, and the Chesapeake Life Insurance Company), Health New England, MassHealth, Neighborhood Health Plan, Network Health, Tufts Health Plan, and United Health Care. GIC may include a small number of enrollees who are not Massachusetts residents. Data exclude the following insured Massachusetts residents: federal employees not insured through a commercial carrier, active duty military personnel and their families who receive services through Champus/Tricare only and inmates of the Department of Correction.

Sources: Membership reported to DHCFP by health plans, MassHealth, and the Group Insurance Commission; Commonwealth Care enrollment data from the Commonwealth Health Insurance Connector Authority.

Employers Offering Health Insurance

Percent of Employers



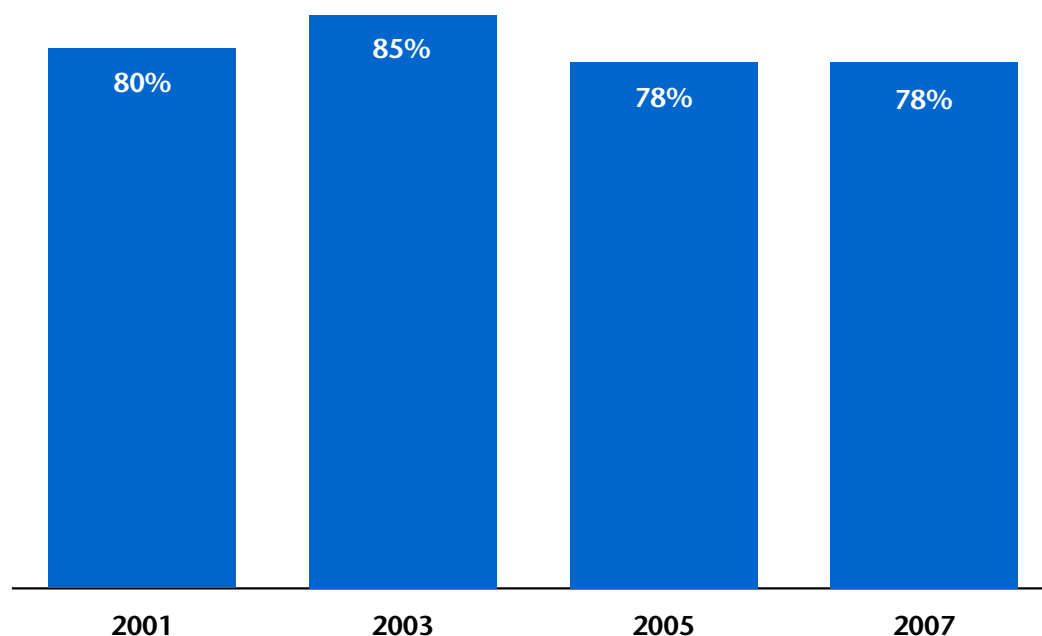
Nearly three-quarters of Massachusetts employers offer health insurance to their employees. The Massachusetts employer offer rate has held steady, even as the employer offer rate declined nationally from 68% to 60% between 2001 and 2007, as reported in the Kaiser/HRET survey.

Note: The changes from year to year are not statistically significant.

Source: DHCFP Employer Survey for 2001, 2003, 2005, and 2007. National data from the Henry J. Kaiser Family Foundation/Health Research and Educational Trust Employer Benefits Survey, 2001-2007.

Employees Enrolled in Health Insurance

Percent of Eligible Employees



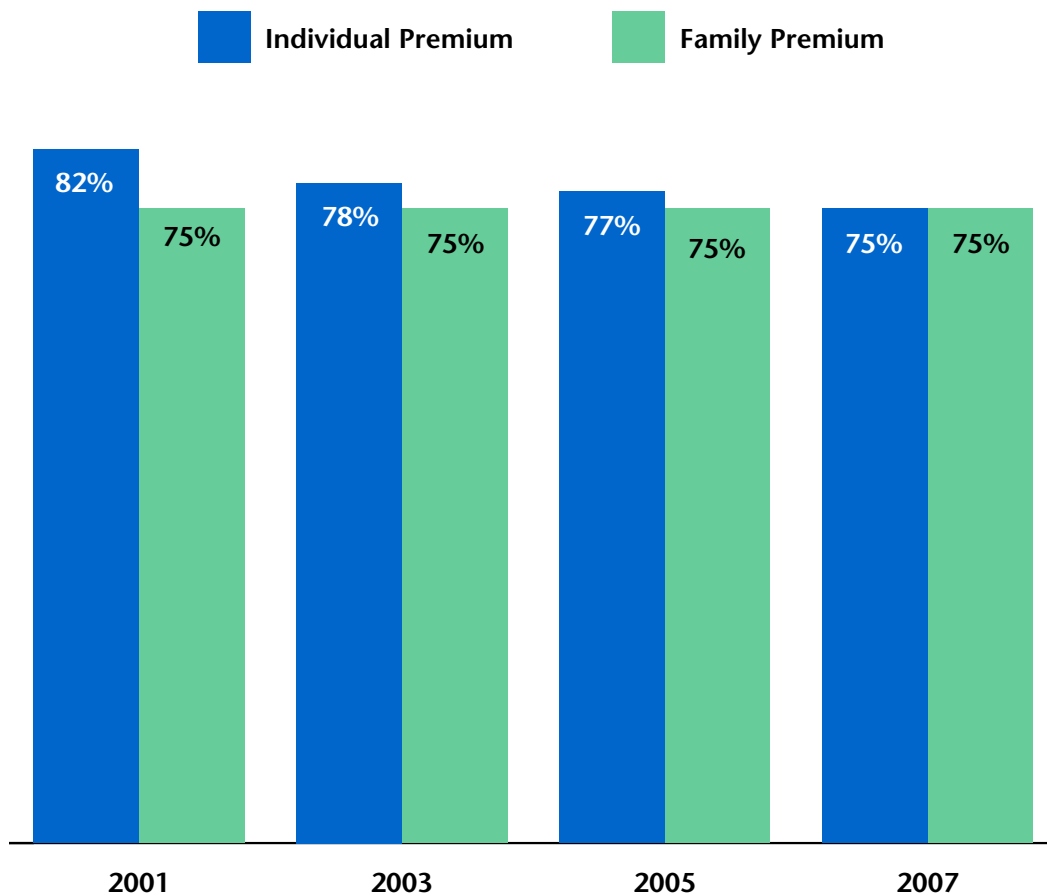
More than three-quarters of employees eligible for health insurance enrolled in their employer's health plan in 2007. Nationally, the take-up rate for employees eligible for health insurance was 82% in 2007 as reported in the Kaiser/HRET survey. While Massachusetts employers are more likely to offer coverage than employers nationwide, employees are less likely to enroll.

Note: Data reflect medians.

Source: DHCFP Employer Survey for 2001, 2003, 2005, and 2007. National data from the Henry J. Kaiser Family Foundation/Health Research and Educational Trust Employer Benefits Survey, 2001-2007.

Employer Contributions to Health Insurance

Percent of Individual and Family Premiums

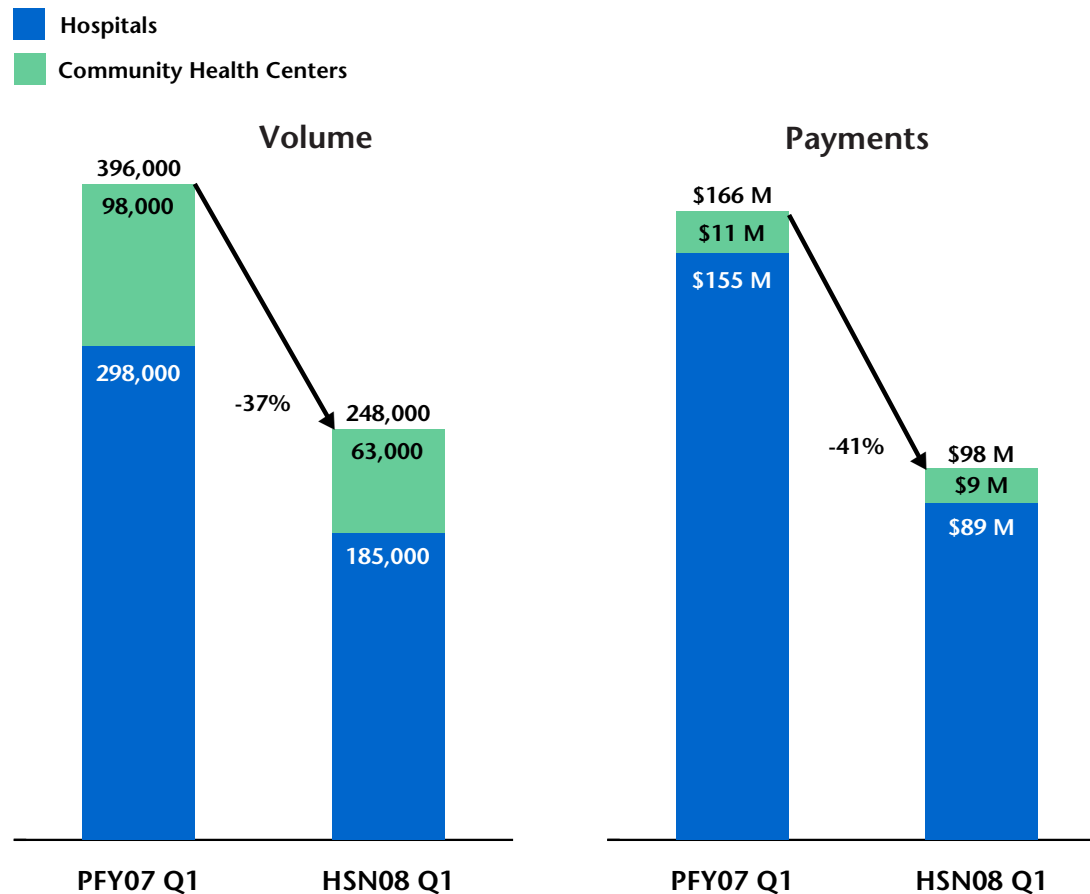


Most Massachusetts employers contribute at least 75% toward their employees' health insurance premiums. While Massachusetts employers' contributions are comparable to employers nationwide for family plans (75% in Massachusetts versus 73% nationally as reported in the 2007 Kaiser/HRET survey), contributions are significantly lower for individual plans (75% in Massachusetts versus 85% nationally).

Note: Data reflect medians.

Source: DHCFP Employer Survey for 2001, 2003, 2005, and 2007. National data from the Henry J. Kaiser Family Foundation/Health Research and Educational Trust Employer Benefits Survey, 2001-2007.

UCP and HSN Volume and Payments for Hospitals and Community Health Centers

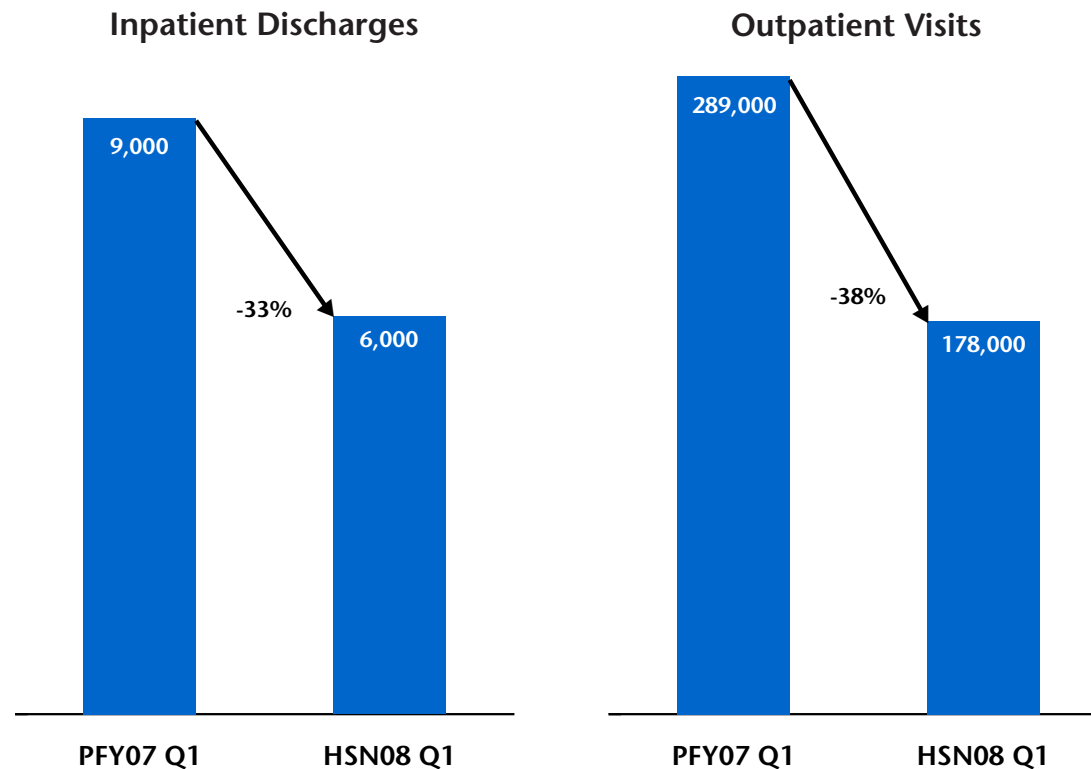


Health Safety Net (HSN) volume for hospitals and community health centers declined by 37% in the first quarter of HSN fiscal year 2008 compared to the same period in the prior year of the Uncompensated Care Pool (UCP). Payments declined by 41% over the same period.

Notes: The Pool fiscal year (PFY) and the Health Safety Net fiscal year (HSN) run from 10/1 through 9/30 of the following year, e.g., PFY07 ran from 10/1/06 through 9/30/07. Hospital service volume is the sum of inpatient discharges and outpatient visits for all claim types, including ERBD claims. Inpatient and Outpatient volume are based on claims. CHC volume is based on the UC form. Volume for both CHCs and hospitals for the first quarters of PFY07 and HSN08 is by date of service and date of write off for ERBD claims only. Volume includes ERBD claims, but excludes pharmacy claims. Payments are reported by payment period and date of service. Numbers are rounded to the nearest thousand.
Source: DHCFP UCP/HSN Claims Database as of 7/22/08.

Hospital Volume

Inpatient Discharges and Outpatient Visits

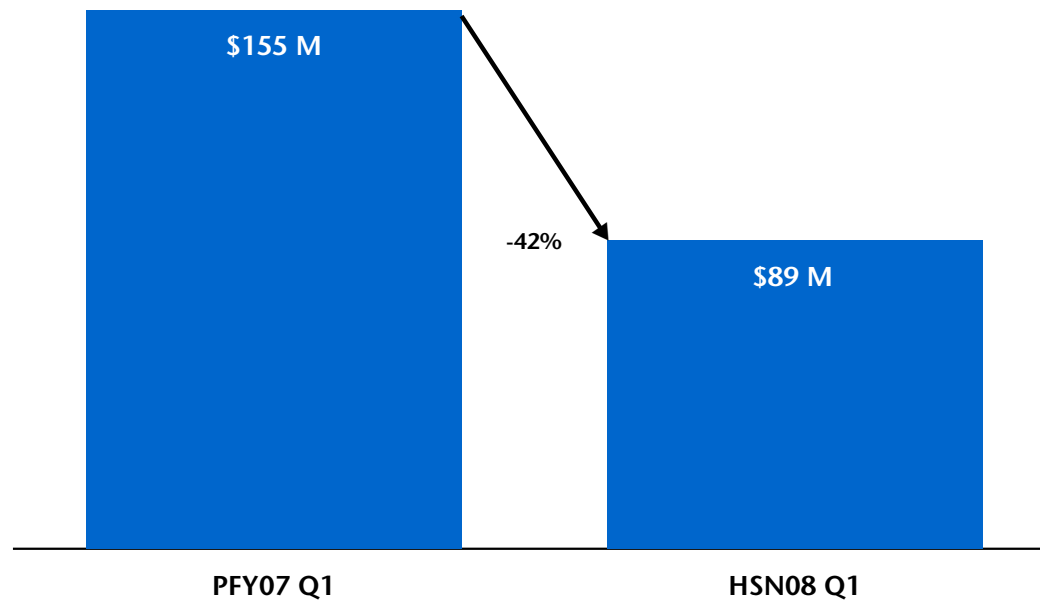


The total number of hospital inpatient discharges and outpatient visits billed to the Health Safety Net in the first quarter of HSN fiscal year 2008 declined by approximately 38% overall compared to the same period in the prior year of the Uncompensated Care Pool.

Note: The Pool fiscal year (PFY) and the Health Safety Net fiscal year (HSN) run from 10/1 through 9/30 of the following year, e.g., PFY07 ran from 10/1/06 through 9/30/07. Inpatient and Outpatient volume are based on claims. Volume for the first quarters of PFY07 and HSN08 is by date of service and date of write off for ERBD claims only. Volume includes ERBD claims, but excludes pharmacy claims. Numbers are rounded to the nearest thousand.
Source: DHCFP UCP/HSN Claims Database as of 7/22/08.

Hospital Payments

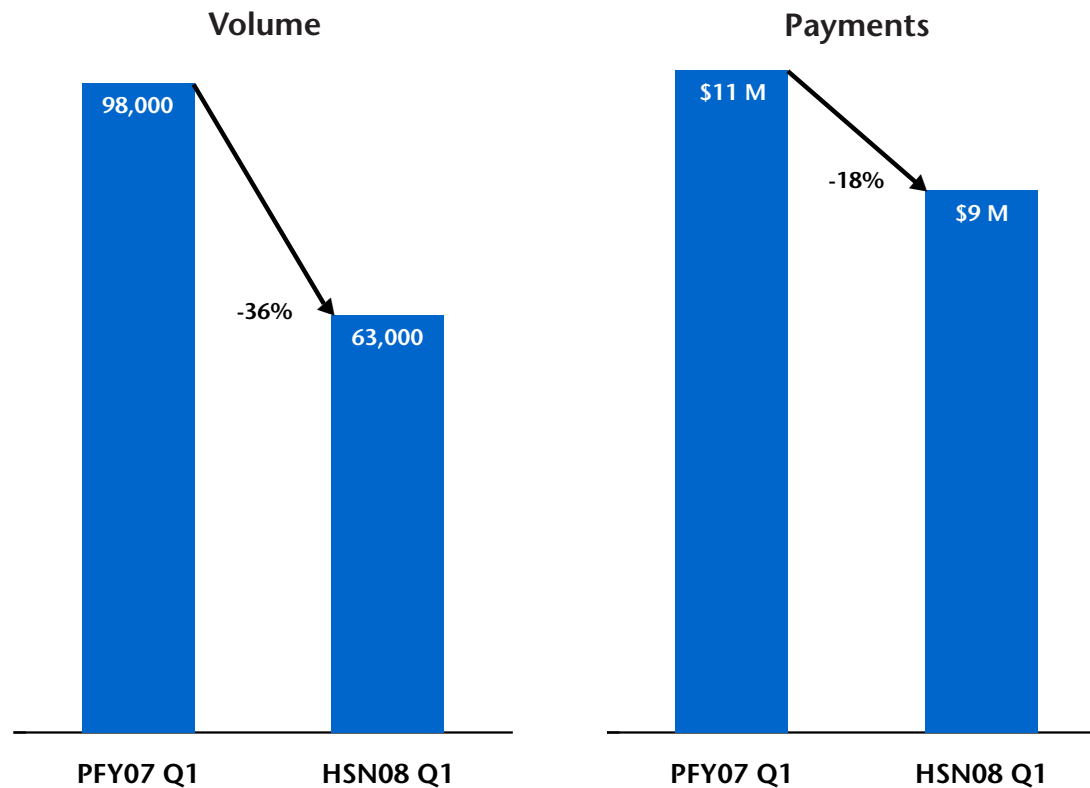
Inpatient and Outpatient



Hospital payments decreased 42% in the first three months of Health Safety Net fiscal year 2008 compared to the same period from the prior year of the Uncompensated Care Pool.

Notes: The Pool fiscal year (PFY) and the Health Safety Net fiscal year (HSN) run from 10/1 through 9/30 of the following year, e.g., PFY07 ran from 10/1/06 through 9/30/07. Payments are reported by payment period and date of service.
Source: DHCFP UCP/HSN Claims Database as of 7/22/08.

CHC Volume and Payments in PFY07 Q1 and HSN08 Q1



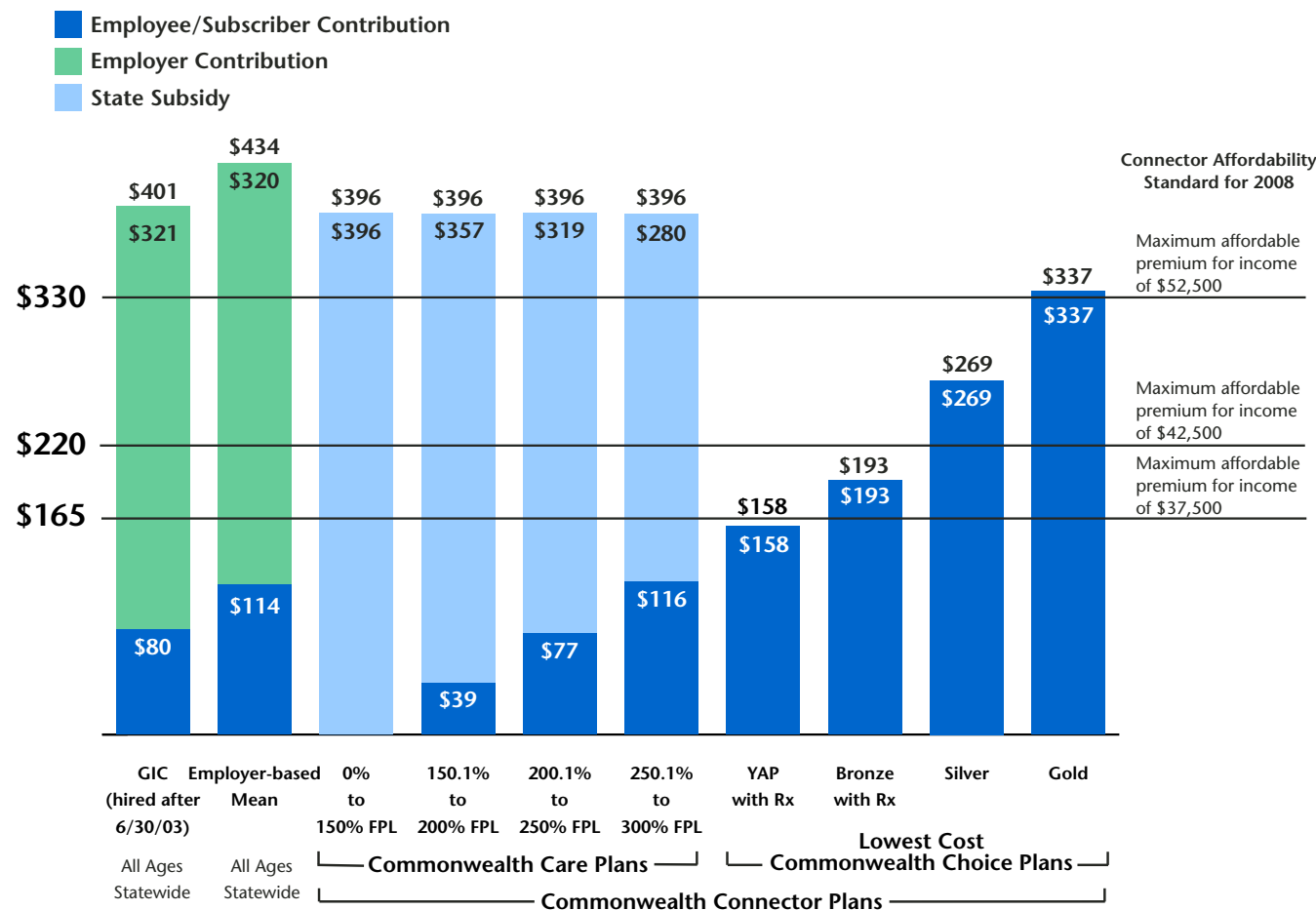
Community health center (CHC) Health Safety Net visit volume and payments decreased by 36% and 18% respectively from the first quarter in HSN fiscal year 2008 compared to the same period in the prior year of the Uncompensated Care Pool.

Notes: The Pool fiscal year (PFY) and the Health Safety Net fiscal year (HSN) run from 10/1 through 9/30 of the following year, e.g., PFY07 ran from 10/1/06 through 9/30/07. Volume for the first quarters of PFY07 and HSN08 is by date of service and date of write off for ERBD claims only. Payments are reported by payment period and date of service. Numbers are rounded to the nearest thousand.

Source: DHCFP UCP/HSN Claims Database as of 7/22/08.

Monthly Cost of Health Insurance

Employer and Connector Plans for Individuals



Subscriber contributions to Commonwealth Care plans compare favorably to the average employee contribution for employer-based coverage.

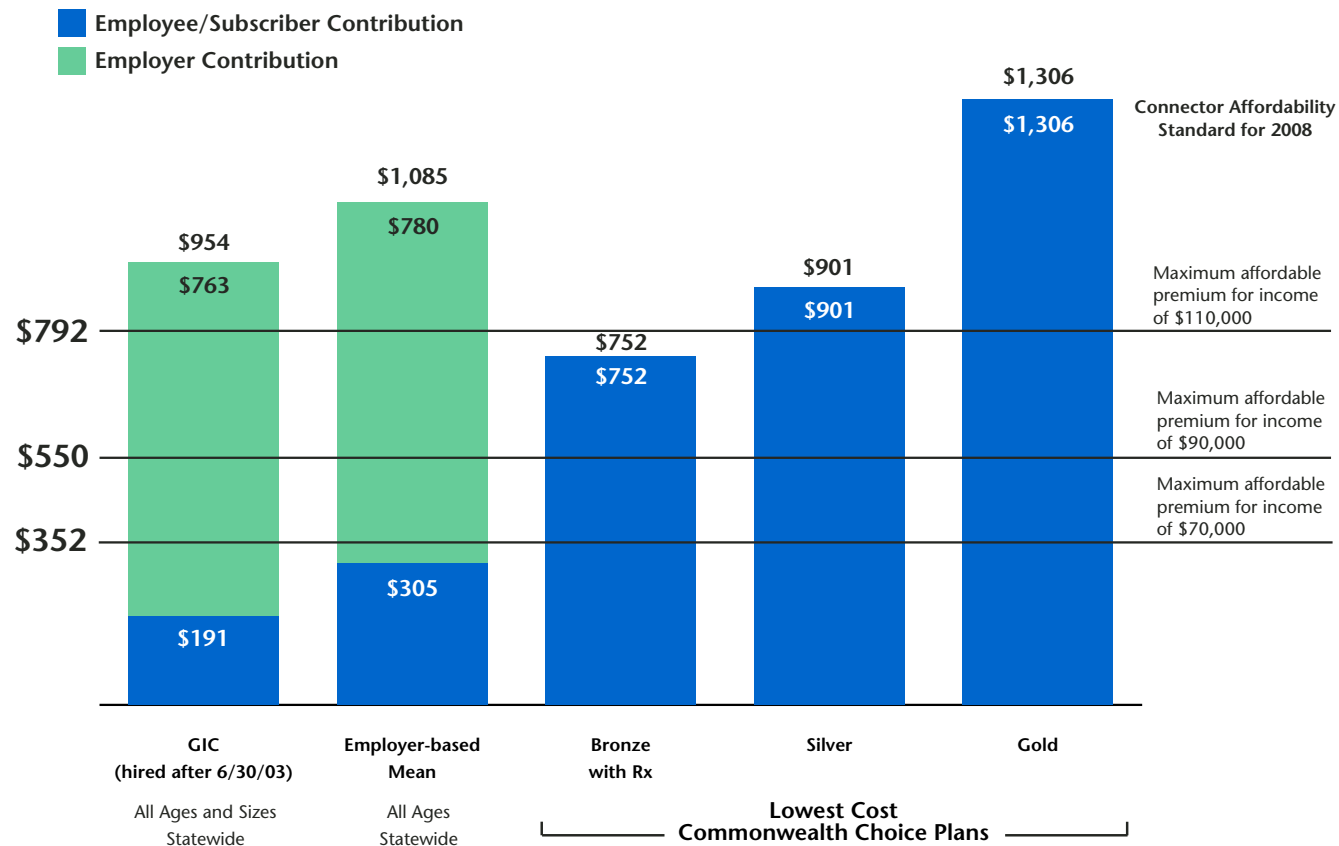
These premiums were compared to the affordability schedule that was established by the Commonwealth Health Insurance Connector Authority effective for the calendar year 2008. For more details, please visit: www.mahealthconnector.org.

Notes: The calculation of mean premiums for private, employer-based insurance does not include premiums paid by government employees. The lowest priced Commonwealth Choice YAP with Rx plan was calculated for a 22-year-old individual living in Boston. Premiums for Commonwealth Choice Bronze with Rx, Silver, and Gold are the lowest priced plans available for a 35-year-old individual living in Boston. Data are rounded to the nearest whole dollar.

Sources: 2008-2009 GIC Benefit Decision Guide; 2007 DHCFP Employer Survey; Connector Affordability Schedule for 2008; Commonwealth Health Insurance Connector Authority for Commonwealth Choice plan premiums effective July 2008 and Commonwealth Care premiums effective July 2008.

Monthly Cost of Health Insurance

Employer and Connector Plans for Families



Commonwealth Choice premium contributions for families are higher than the average employee contribution for employer-based family coverage.

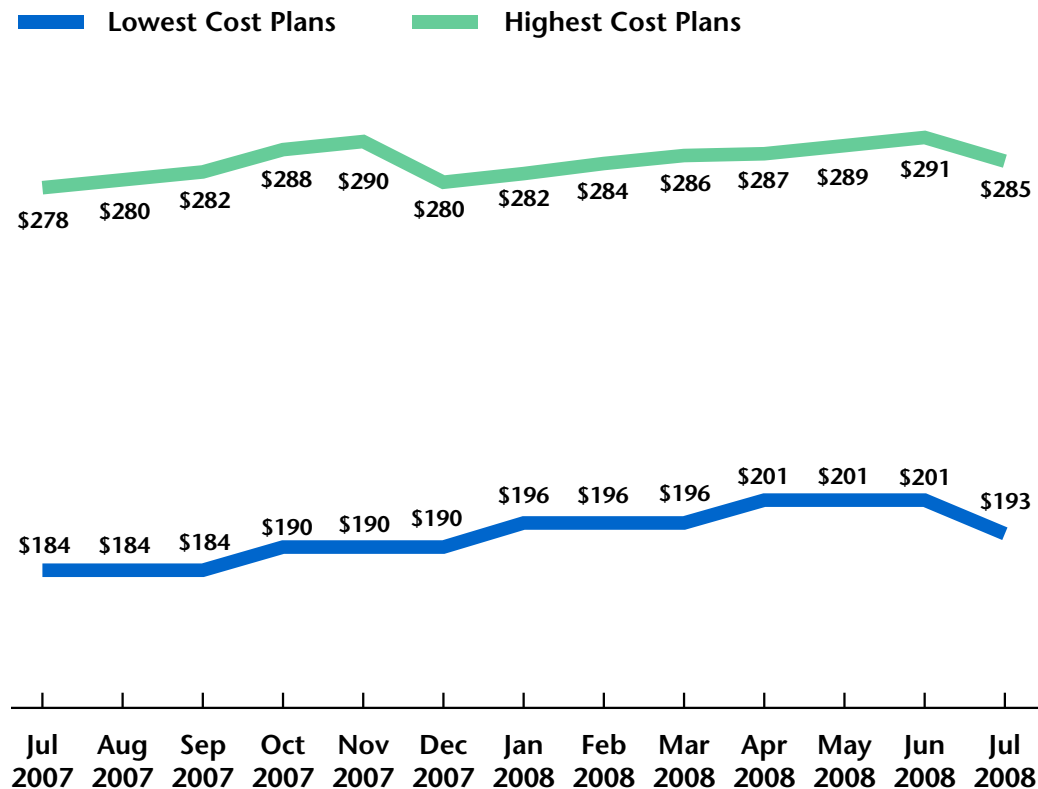
These premiums were compared to the affordability schedule that was established by the Commonwealth Health Insurance Connector Authority effective for the calendar year 2008. For more details, please visit: www.mahealthconnector.org.

Notes: Commonwealth Care plans provide coverage for adult individuals only and, therefore, do not have family plans. The calculation of mean premiums for private employer-based insurance does not include premiums paid by government employees. Premiums for Commonwealth Choice Bronze with Rx, Silver, and Gold plans are the lowest price for a family of four, with two 35-year-old parents and two children living in Boston. Data are rounded to the nearest whole dollar.

Sources: 2008-2009 GIC Benefit Decision Guide; 2007 DHCFP Employer Survey; Connector Affordability Schedule for 2008; Commonwealth Health Insurance Connector Authority for Commonwealth Choice plan premiums effective July 2008.

Commonwealth Choice Bronze Premiums

Highest and Lowest Cost Plans (with Rx coverage)

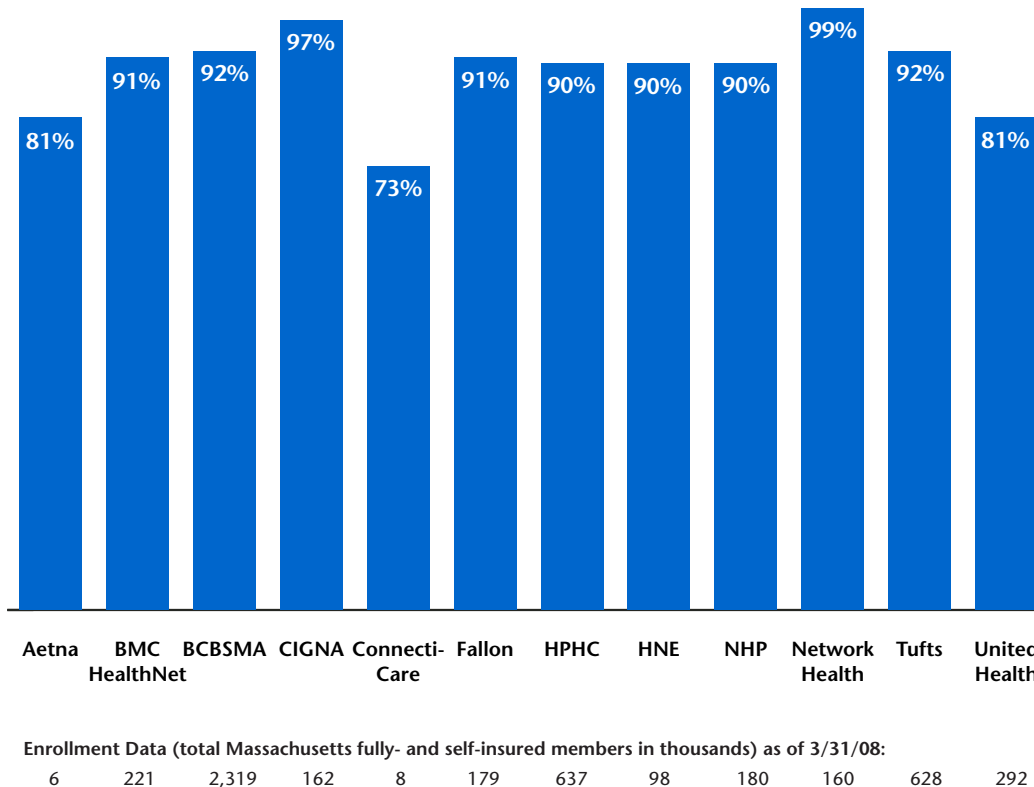


Both the highest and lowest Commonwealth Choice Bronze monthly premiums have risen slightly since July 1, 2007. The cost of premiums went down from June to July 2008.

Note: Premiums are for a 35-year-old individual living in Boston.
Source: Commonwealth Health Insurance Connector Authority.

Medical Expense Ratio

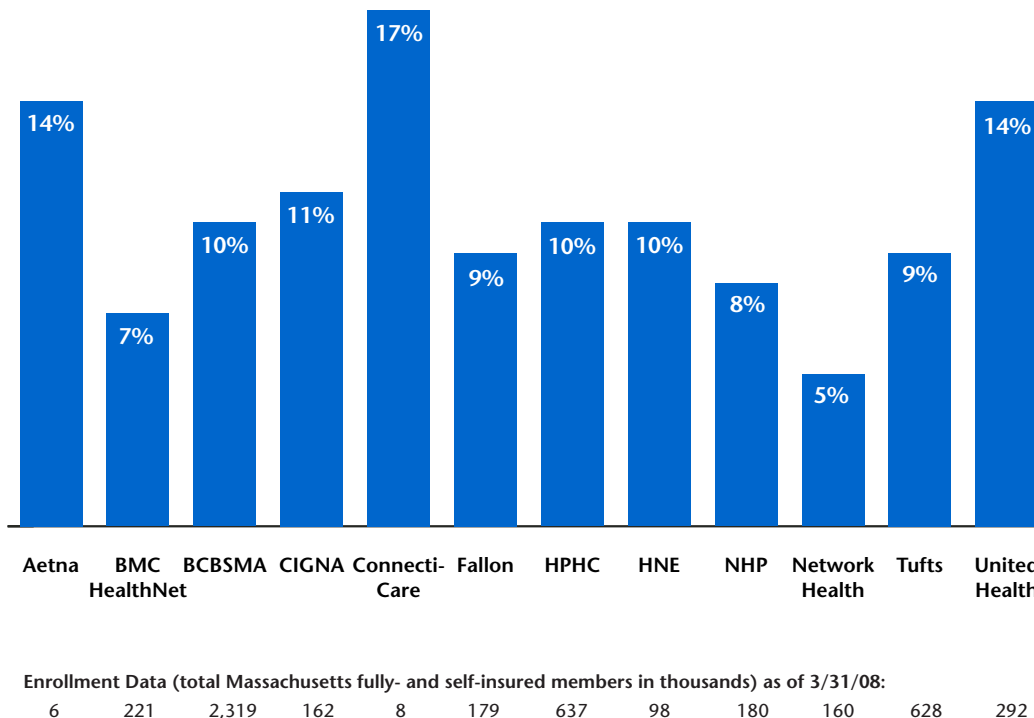
by Health Plan for the First Three Months of 2008



Note: Medical expense ratio is calculated by dividing total hospital and medical expenses by total revenue (without investment income). Blue Cross Blue Shield of Massachusetts (BCBSMA) includes the combined performance of BCBSMA and HMO Blue. Ratios may not sum to 100% due to rounding. Massachusetts Division of Insurance (DOI) financial information represents Massachusetts licensed plans including Medicare, MassHealth and Commonwealth Care as well as members who are not Massachusetts residents. Enrollment data includes Massachusetts residents only, MassHealth, Commonwealth Care, Medicare, fully-insured and self-insured members. Enrollment information is limited to health plans that are required to report to the DOI, MassHealth or the Commonwealth Health Insurance Connector Authority. The numbers will not add up to total enrollment presented in slides 2 and 3. Aetna enrollment represents only Aetna Health Inc. (a Pennsylvania Corporation), and does not include approximately 148,000 members covered under Aetna Life Insurance Company. Harvard Pilgrim Health Care enrollment does not include approximately 60,000 members enrolled in subsidiary Health Plans Inc. Source: Division of Insurance quarterly financial statements. BMC Health Net and Network Health data from MassHealth 4B and insolvency reports. Health plan enrollment data are as reported to DHCFF.

The four largest health plans cover more than 3,876,000 Massachusetts residents in fully-insured and self-insured products. These plans spent between 81% and 90% of total revenue dollars on medical services provided to members in the first three months of 2008.

Administrative Expense Ratio by Health Plan for the First Three Months of 2008

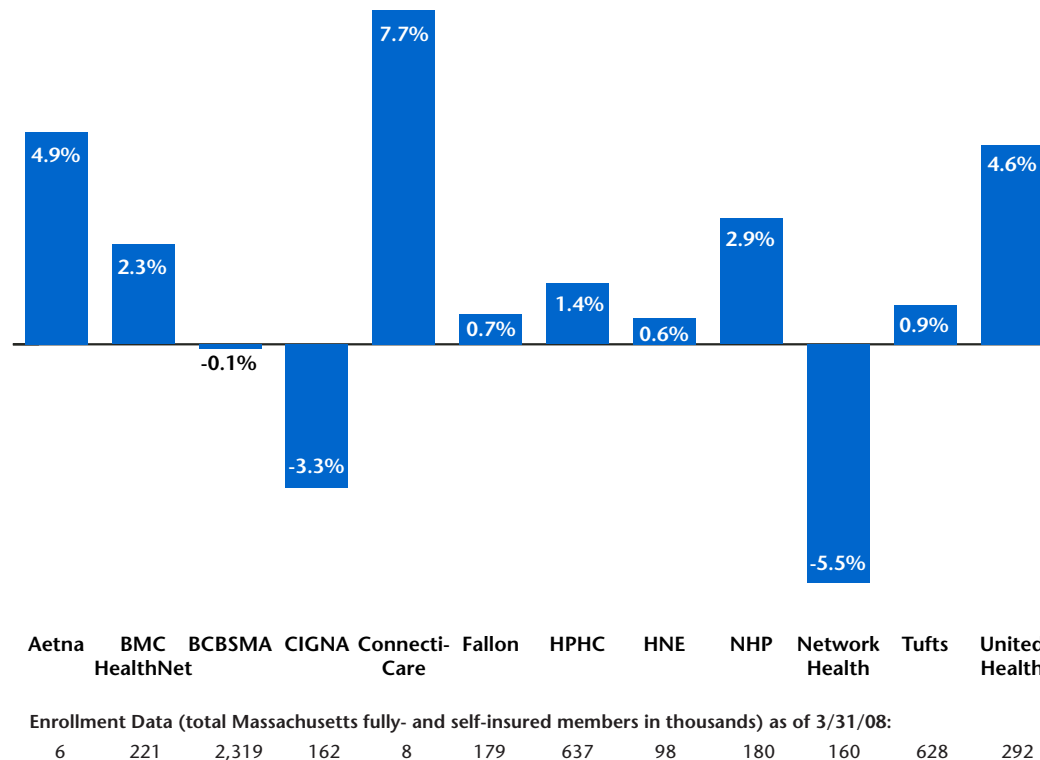


The four largest health plans spent between 9% and 14% of total revenue on administrative expenses including staff, claims processing, rent and clinical oversight in the first three months of 2008.

Note: Administrative expense ratio is calculated by dividing total administrative expenses (including claims adjustment and general administrative expenses) by total revenue (including investment gain/loss). Blue Cross Blue Shield of Massachusetts (BCBSMA) includes the combined performance of BCBSMA and HMO Blue. Ratios may not sum to 100% due to rounding. Massachusetts Division of Insurance (DOI) financial information represents Massachusetts licensed plans including Medicare, MassHealth and Commonwealth Care as well as members who are not Massachusetts residents. Enrollment data includes Massachusetts residents only, MassHealth, Commonwealth Care, Medicare, fully-insured and self-insured members. Enrollment is limited to health plans that are required to report to the DOI, MassHealth, or the Commonwealth Health Insurance Connector Authority. The numbers will not add up to total enrollment presented in slides 2 and 3. Aetna enrollment represents only Aetna Health Inc. (a Pennsylvania Corporation), and does not include approximately 148,000 members covered under Aetna Life Insurance Company. Harvard Pilgrim Health Care enrollment does not include approximately 60,000 members enrolled in subsidiary Health Plans Inc. Source: Division of Insurance quarterly financial statements. BMC Health Net and Network Health data from MassHealth 4B and insolvency reports. Health plan enrollment data are as reported to DHCFP.

Profit Margin

by Health Plan for the First Three Months of 2008

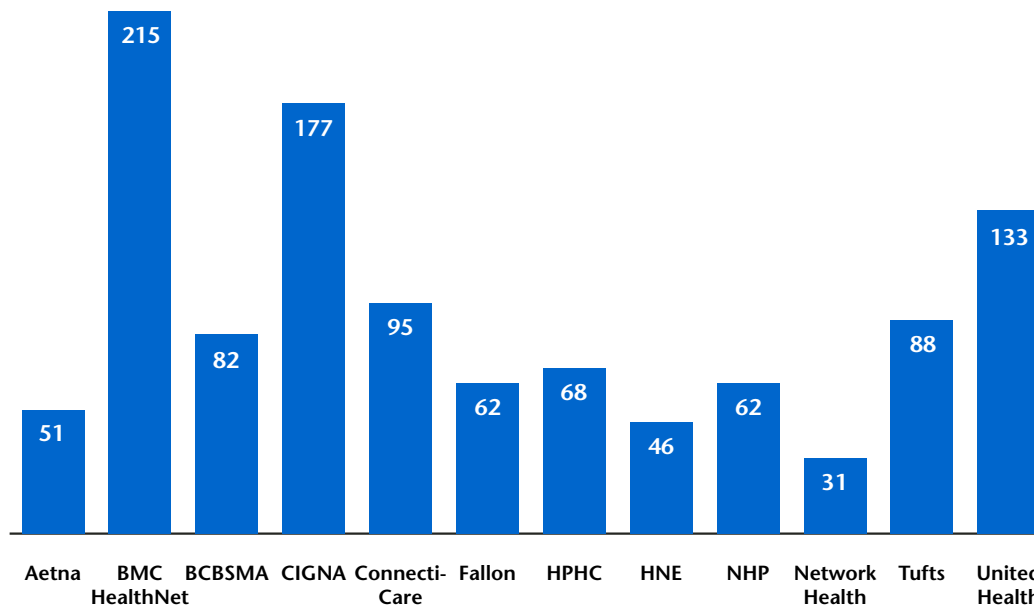


Profit margin represents the resources available to the plan for other purposes after paying medical claims and administrative costs. Profit margins varied widely across plans in the first three months of 2008.

Note: Profit margin is calculated by dividing net income by total revenue (including investment gain/loss). Blue Cross Blue Shield of Massachusetts (BCBSMA) includes the combined performance of BCBSMA and HMO Blue. Ratios may not sum to 100% due to rounding. Massachusetts Division of Insurance (DOI) financial information represents Massachusetts licensed plans including Medicare, MassHealth and Commonwealth Care as well as members who are not Massachusetts residents. Enrollment data includes Massachusetts residents only, MassHealth, Commonwealth Care, Medicare, fully-insured and self-insured members. Enrollment is limited to health plans that are required to report to the DOI, MassHealth or the Commonwealth Health Insurance Connector Authority. The numbers will not add up to total enrollment presented in slides 2 and 3. Aetna enrollment represents only Aetna Health Inc. (a Pennsylvania Corporation), and does not include approximately 148,000 members covered under Aetna Life Insurance Company. Harvard Pilgrim Health Care enrollment does not include approximately 60,000 members enrolled in subsidiary Health Plans Inc. Source: Division of Insurance quarterly financial statements. BMC Health Net and Network Health data from MassHealth 4B and insolvency reports. Health plan enrollment data are as reported to DHCFF.

Days in Reserve

by Health Plan for the First Three Months of 2008



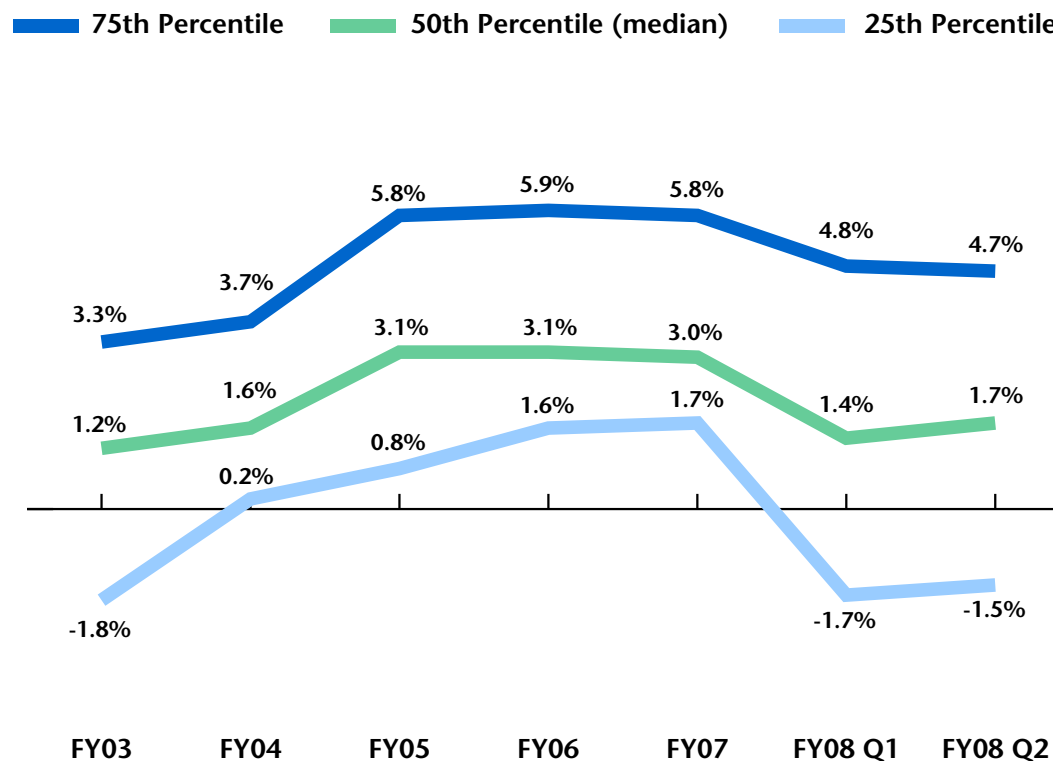
Enrollment Data (total Massachusetts fully- and self-insured members in thousands) as of 3/31/08:

6	221	2,319	162	8	179	637	98	180	160	628	292
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Note: Days in reserve is calculated by dividing net worth (including total capital and surplus) by the result of dividing total medical and administrative expenses by the number of days in the YTD period. Blue Cross Blue Shield of Massachusetts (BCBSMA) includes the combined performance of BCBSMA and HMO Blue. Ratios may not sum to 100% due to rounding. Massachusetts Division of Insurance (DOI) financial information represents Massachusetts licensed plans including Medicare, MassHealth and Commonwealth Care as well as members who are not Massachusetts residents. Enrollment data includes Massachusetts residents only, MassHealth, Commonwealth Care, Medicare, fully-insured and self-insured members. Enrollment is limited to health plans that are required to report to the DOI, MassHealth or the Commonwealth Health Insurance Connector Authority. The numbers will not add up to total enrollment presented in slides 2 and 3. Aetna enrollment represents only Aetna Health Inc. (a Pennsylvania Corporation), and does not include approximately 148,000 members covered under Aetna Life Insurance Company. Harvard Pilgrim Health Care enrollment does not include approximately 60,000 members enrolled in subsidiary Health Plans Inc. Source: Division of Insurance quarterly financial statements. BMC Health Net and Network Health data from MassHealth 4B and insolvency reports. Health plan enrollment data are as reported to DHCFF.

Days in reserve is a measure of financial solvency. It reflects the number of days of medical expenses a plan could fund from its net worth. Performance on this measure varies widely, but nearly every plan reported net worth that is equal to at least two months of days in reserve in the first three months of 2008.

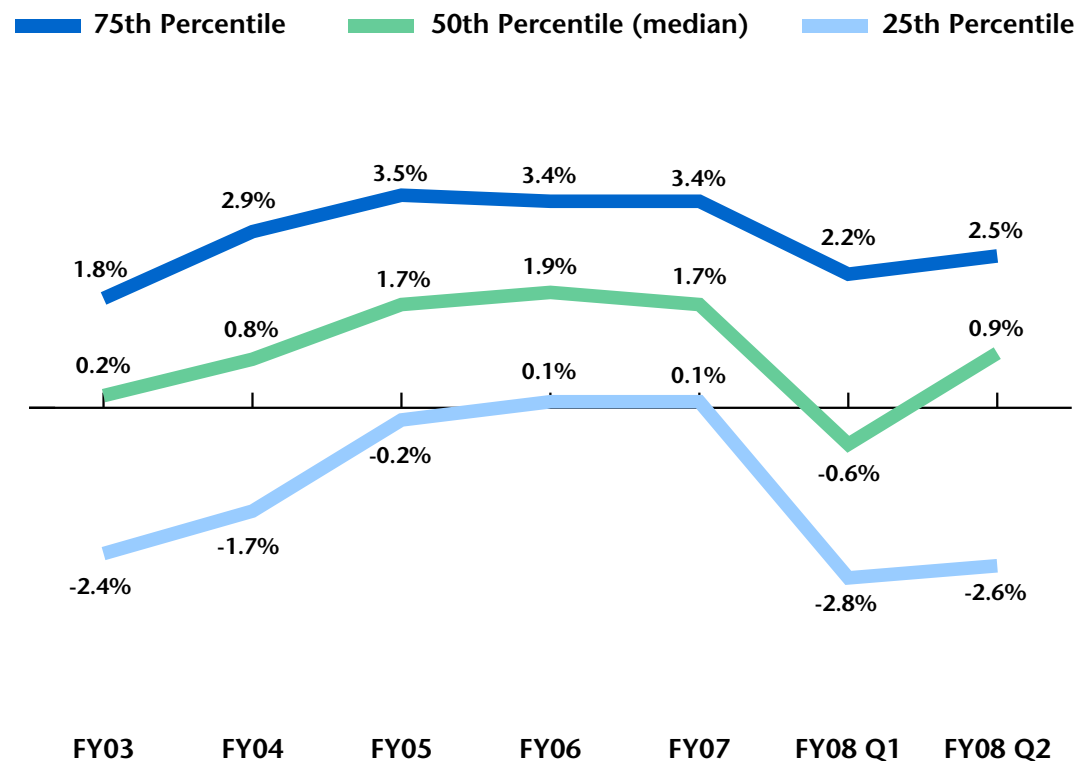
Total Margin Trend by Year



The overall financial performance of acute hospitals improved from FY03 to FY07. While overall financial performance appears to be trending downward in the first two quarters of FY08, caution should be taken when interpreting the FY08 quarterly results because quarterly performance is not necessarily indicative of year end results.

Note: Total margin is calculated by dividing total income by total revenue. Fiscal year ends (FYE) vary across hospitals: of 66 hospitals, 3 hospitals have a 6/30 FYE, 1 hospital has a 3/31 FYE, and 1 hospital has a 12/31 FYE. The remaining 61 hospitals have a 9/30 FYE.
Source: DHCFP Acute hospital financial data; for more information, please visit <http://www.mass.gov/dhcfp> click on "Health Systems Analyses" then go to "Hospitals."

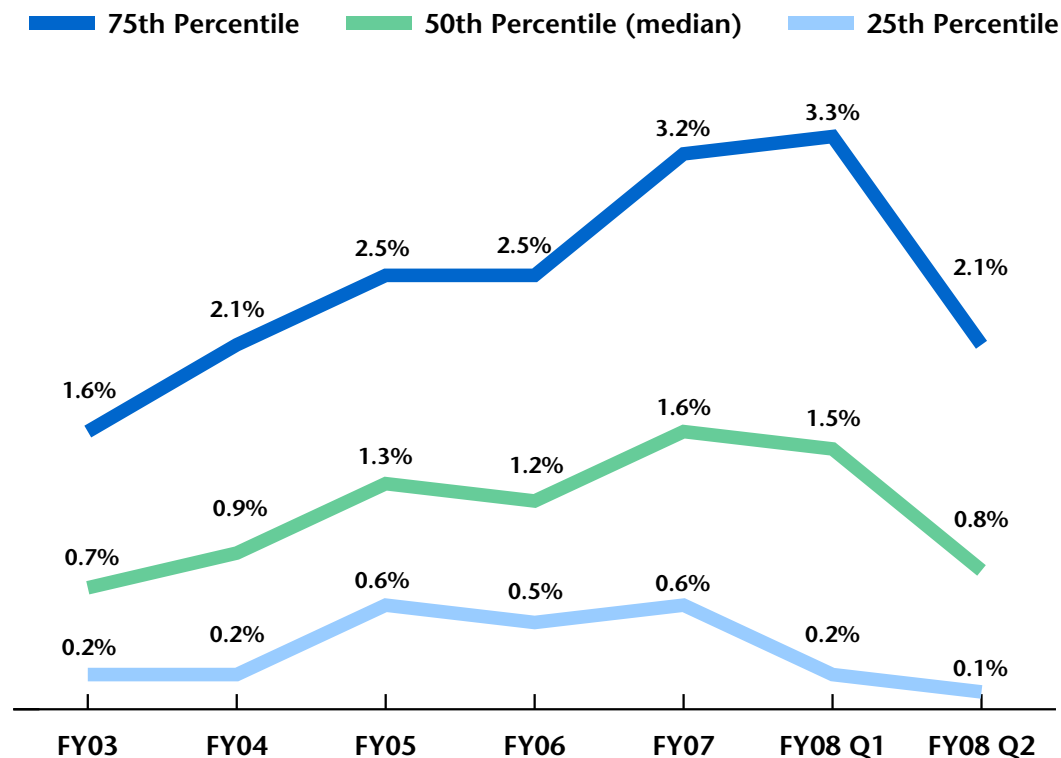
Operating Margin Trend by Year



Operating margins climbed slightly between FY03 and FY07. For the first two quarters of FY08, operating margins appear to be lower than those experienced over the last three years. However, caution should be taken when interpreting the FY08 quarterly results because quarterly performance is not necessarily indicative of year end results.

Note: Operating margin is calculated by dividing operating income by total revenue. Fiscal year ends (FYE) vary across hospitals: of 66 hospitals, 3 hospitals have a 6/30 FYE, 1 hospital has a 3/31 FYE, and 1 hospital has a 12/31 FYE. The remaining 61 hospitals have a 9/30 FYE.
Source: DHCfP Acute hospital financial data; for more information, please visit <http://www.mass.gov/dhcfp> click on "Health Systems Analyses" then go to "Hospitals."

Non-Operating Margin Trend by Year

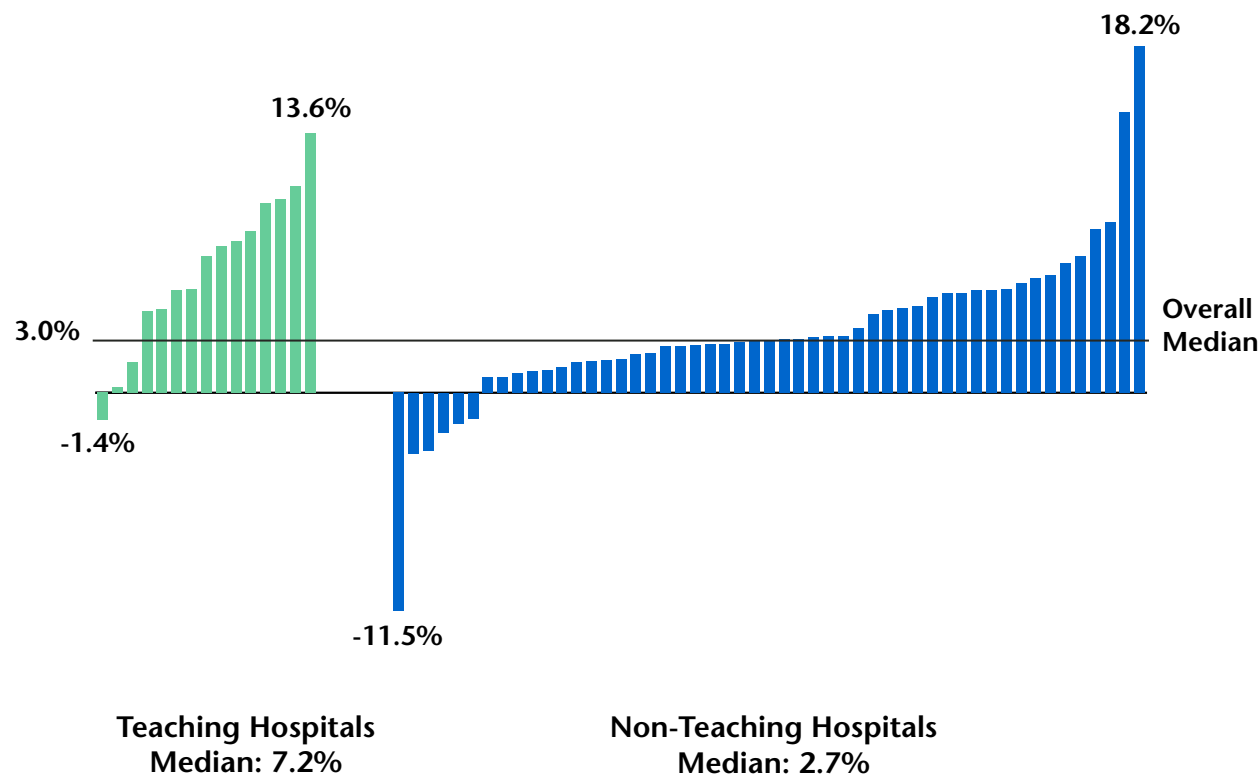


Non-operating margins for acute hospitals improved from FY03 to FY07. However, for the first two quarters of FY08, non-operating margins fell.

Caution should be taken when interpreting the FY08 quarterly results because quarterly performance is not necessarily indicative of year end results.

Note: Non-operating margin is calculated by dividing non-operating income by total revenue. Fiscal year ends (FYE) vary across hospitals: of 66 hospitals, 3 hospitals have a 6/30 FYE, 1 hospital has a 3/31 FYE, and 1 hospital has a 12/31 FYE. The remaining 61 hospitals have a 9/30 FYE.
Source: DHCFP Acute hospital financial data; for more information, please visit <http://www.mass.gov/dhcfp> click on "Health Systems Analyses" then go to "Hospitals."

Total Margin by Teaching Status for FY07

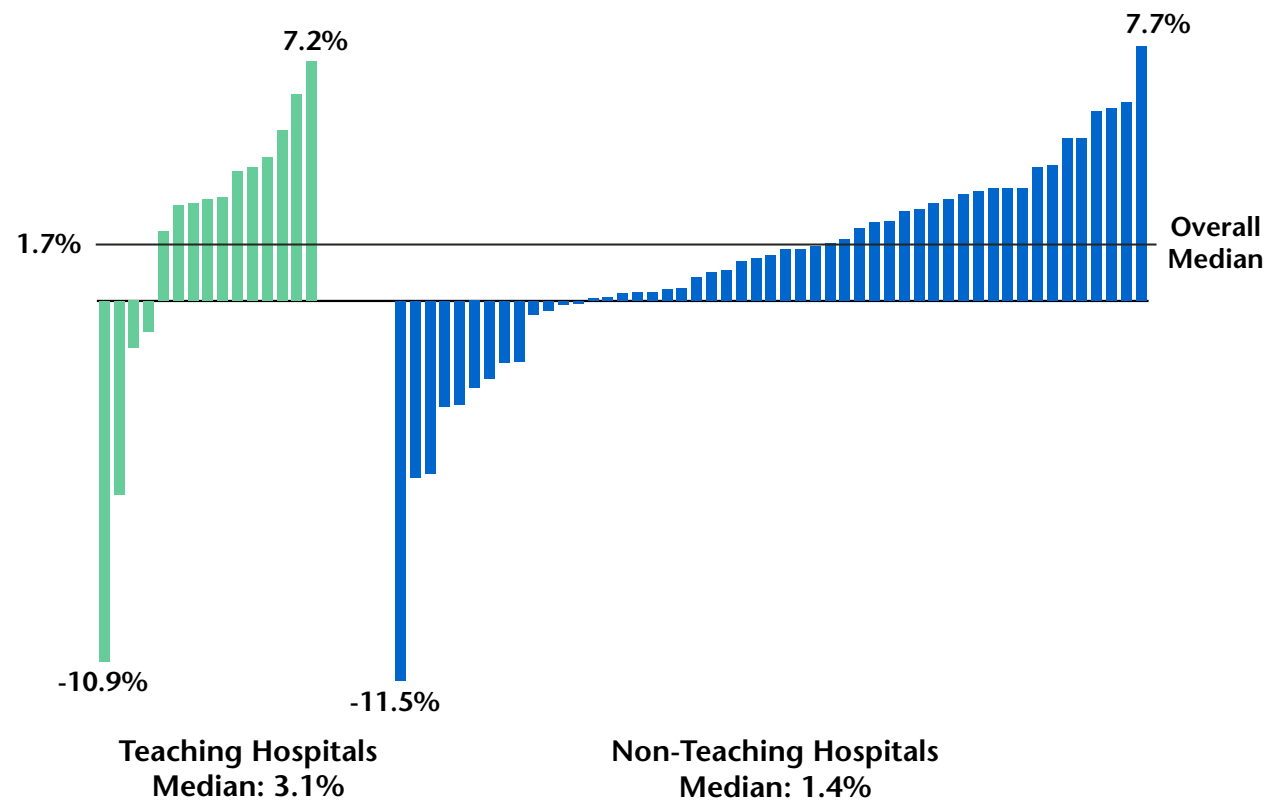


The overall financial performance of acute hospitals varies widely by teaching status. The median total margin for teaching hospitals was 7.2% in FY07 while the median total margin for non-teaching hospitals was 2.7%.

Please see page 24 for a complete list of Massachusetts acute care hospitals.

Note: Total margin is calculated by dividing total income by total revenue. Fiscal year ends (FYE) vary across hospitals: of 66 hospitals, 3 hospitals have a 6/30 FYE, 1 hospital has a 3/31 FYE, and 1 hospital has a 12/31 FYE. The remaining 61 hospitals have a 9/30 FYE.
Source: DHCfP Acute hospital financial data; for more information, please visit <http://www.mass.gov/dhcfp> click on "Health Systems Analyses" then go to "Hospitals."

Operating Margin by Teaching Status for FY07

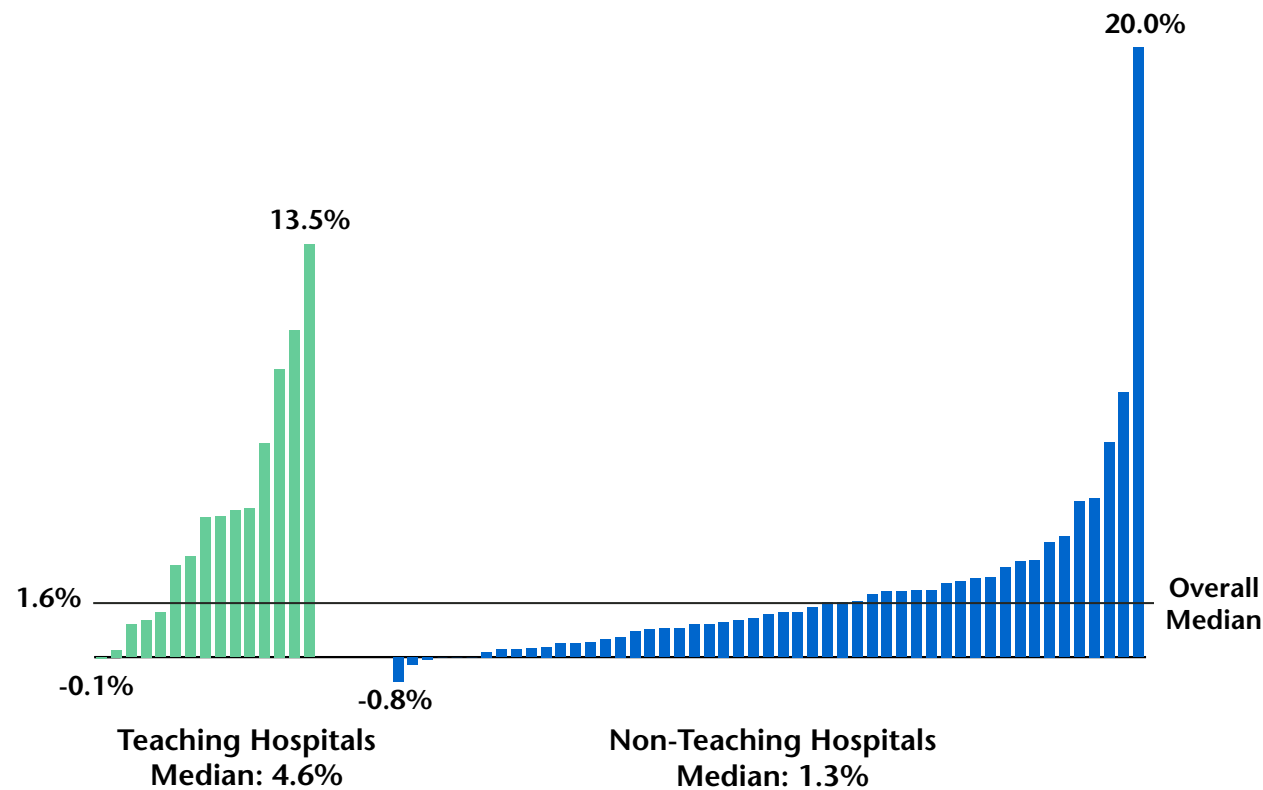


Teaching hospitals reported a higher operating margin than non-teaching hospitals in FY07.

Please see page 24 for a complete list of Massachusetts acute care hospitals.

Note: Operating margin is calculated by dividing operating income by total revenue. Fiscal year ends (FYE) vary across hospitals: of 66 hospitals, 3 hospitals have a 6/30 FYE, 1 hospital has a 3/31 FYE, and 1 hospital has a 12/31 FYE. The remaining 61 hospitals have a 9/30 FYE.
Source: DHCFP Acute hospital financial data; for more information, please visit <http://www.mass.gov/dhcfp> click on "Health Systems Analyses" then go to "Hospitals."

Non-Operating Margin by Teaching Status for FY07



Non-operating margin performance varies widely by hospital teaching status. The median for teaching hospitals was 4.6% in FY07, and the median for non-teaching hospitals was less than half that at 1.3%.

Please see page 24 for a complete list of Massachusetts acute care hospitals.

Note: Non-operating margin is calculated by dividing non-operating income by total revenue. Fiscal year ends (FYE) vary across hospitals: of 66 hospitals, 3 hospitals have a 6/30 FYE, 1 hospital has a 3/31 FYE, and 1 hospital has a 12/31 FYE. The remaining 61 hospitals have a 9/30 FYE.
Source: DHCFP Acute hospital financial data; for more information, please visit <http://www.mass.gov/dhcfp> click on "Health Systems Analyses" then go to "Hospitals."

Hospital Financial Performance

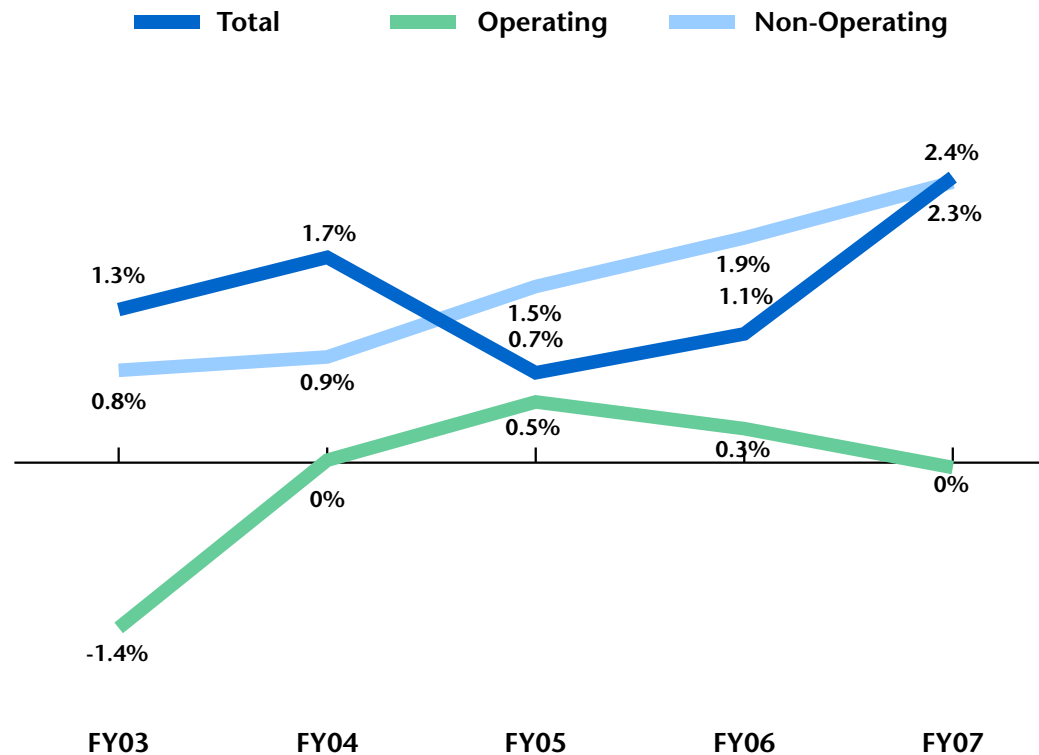
Hospital FY07

Teaching Hospitals	Operating Margin	Non-Op Margin	Total Margin	Profit (Loss)
Baystate Medical Center	3.9%	4.6%	8.5%	\$70,184,000
Beth Israel Deaconess Medical Center	3.1%	4.9%	8.0%	\$94,358,000
Boston Medical Center	2.1%	3.3%	5.4%	\$52,128,000
Brigham and Women's Hospital	4.0%	0.2%	4.3%	\$74,758,000
Cambridge Health Alliance	-0.9%	1.2%	0.3%	\$1,612,000
Caritas St. Elizabeth's Medical Center	2.9%	1.5%	4.4%	\$15,854,000
Children's Hospital Boston	3.1%	7.0%	10.1%	\$112,544,000
Dana-Farber Cancer Institute	-5.8%	13.5%	7.7%	\$54,382,000
Lahey Clinic	5.2%	4.8%	10.0%	\$77,689,000
Massachusetts Eye and Ear Infirmary	-10.9%	9.5%	-1.4%	(\$1,975,000)
Massachusetts General Hospital	2.9%	10.7%	13.6%	\$354,657,000
Mount Auburn Hospital	6.2%	4.6%	10.8%	\$28,556,000
Saint Vincent Hospital	7.2%	-0.1%	7.2%	\$20,303,000
Tufts Medical Center	-1.4%	3.0%	1.6%	\$9,007,000
UMass Memorial Medical Center	4.3%	1.1%	5.4%	\$60,298,000
Non-Teaching Hospitals	Operating Margin	Non-Op Margin	Total Margin	Profit (Loss)
Anna Jaques Hospital	1.6%	0.5%	2.1%	\$1,976,000
Athol Memorial Hospital	0.9%	0.3%	1.2%	\$251,000
Baystate Franklin Medical Center	-2.6%	1.3%	-1.4%	(\$1,075,000)
Baystate Mary Lane Hospital	-0.4%	3.0%	2.5%	\$759,000
Berkshire Medical Center	3.4%	3.8%	7.2%	\$21,530,000
Beth Israel Deaconess Hospital - Needham	1.4%	0.7%	2.0%	\$868,000
Brockton Hospital	0.3%	2.5%	2.8%	\$5,399,000
Cape Cod Hospital	0.1%	1.6%	1.7%	\$5,951,000
Caritas Carney Hospital	-1.9%	0.2%	-1.6%	(\$1,861,000)
Caritas Good Samaritan Medical Center	4.9%	0.4%	5.4%	\$9,208,000
Caritas Holy Family Hospital and Medical Center	1.7%	0.0%	1.7%	\$2,352,000
Caritas Norwood Hospital	4.0%	1.2%	5.2%	\$8,337,000
Clinton Hospital	-0.1%	1.8%	1.7%	\$407,000
Cooley Dickinson Hospital	4.9%	0.9%	5.8%	\$8,800,000
Emerson Hospital	-5.2%	2.2%	-3.0%	(\$4,687,000)
Fairview Hospital	1.5%	2.6%	4.1%	\$1,358,000
Falmouth Hospital	3.2%	1.8%	5.0%	\$6,839,000

Non-Teaching Hospitals	Operating Margin	Non-Op Margin	Total Margin	Profit (Loss)
Faulkner Hospital	2.4%	0.2%	2.6%	\$3,977,000
Hallmark Health System, Inc.	0.4%	2.6%	3.0%	\$8,310,000
Harrington Memorial Hospital	-5.3%	8.7%	3.4%	\$2,375,000
Health Alliance Hospital	5.7%	1.1%	6.8%	\$9,693,000
Heywood Hospital	4.1%	2.1%	6.2%	\$5,259,000
Holyoke Medical Center	0.3%	0.6%	0.8%	\$961,000
Hubbard Regional Hospital	1.2%	0.4%	1.6%	\$365,000
Jordan Hospital	1.3%	1.2%	2.4%	\$4,416,000
Lawrence General Hospital	1.8%	1.1%	2.9%	\$4,590,000
Lowell General Hospital	0.9%	5.1%	6.0%	\$11,020,000
Marlborough Hospital	-0.1%	1.5%	1.3%	\$797,000
Martha's Vineyard Hospital	2.2%	3.2%	5.4%	\$2,427,000
Mercy Medical Center	-0.3%	1.4%	1.1%	\$2,237,000
Merrimack Valley Hospital	-11.5%	0.0%	-11.5%	(\$6,307,000)
MetroWest Medical Center	-2.3%	0.2%	-2.1%	(\$4,784,000)
Milford Regional Medical Center	6.0%	-0.8%	5.2%	\$8,238,000
Milton Hospital	0.3%	2.4%	2.7%	\$1,673,000
Morton Hospital and Medical Center	3.4%	0.9%	4.3%	\$5,099,000
Nantucket Cottage Hospital	-1.8%	20.0%	18.2%	\$6,878,000
Nashoba Valley Medical Center	-3.2%	0.0%	-3.2%	(\$1,404,000)
New England Baptist Hospital	2.4%	2.2%	4.5%	\$7,825,000
Newton-Wellesley Hospital	3.1%	-0.2%	2.8%	\$8,580,000
Noble Hospital	2.7%	0.3%	3.0%	\$1,556,000
North Adams Regional Hospital	1.7%	0.9%	2.7%	\$1,547,000
North Shore Medical Center	2.8%	-0.1%	2.7%	\$10,977,000
Northeast Hospital	3.4%	5.2%	8.6%	\$25,523,000
Quincy Medical Center	-3.1%	4.0%	0.8%	\$913,000
Saint Anne's Hospital	5.8%	3.1%	8.9%	\$11,716,000
Saints Medical Center	0.2%	2.2%	2.4%	\$3,352,000
South Shore Hospital	0.7%	1.8%	2.5%	\$8,394,000
Southcoast Hospitals Group	3.3%	2.2%	5.5%	\$30,970,000
Sturdy Memorial Hospital	7.7%	7.1%	14.7%	\$22,372,000
Winchester Hospital	3.0%	1.5%	4.4%	\$10,030,000
Wing Memorial Hospital and Medical Centers	0.1%	0.9%	1.0%	\$605,000

Source: DHCFP Acute hospital financial data; for more information, please visit <http://www.mass.gov/dhcfp> click on "Health Systems Analyses" then go to "Hospitals."

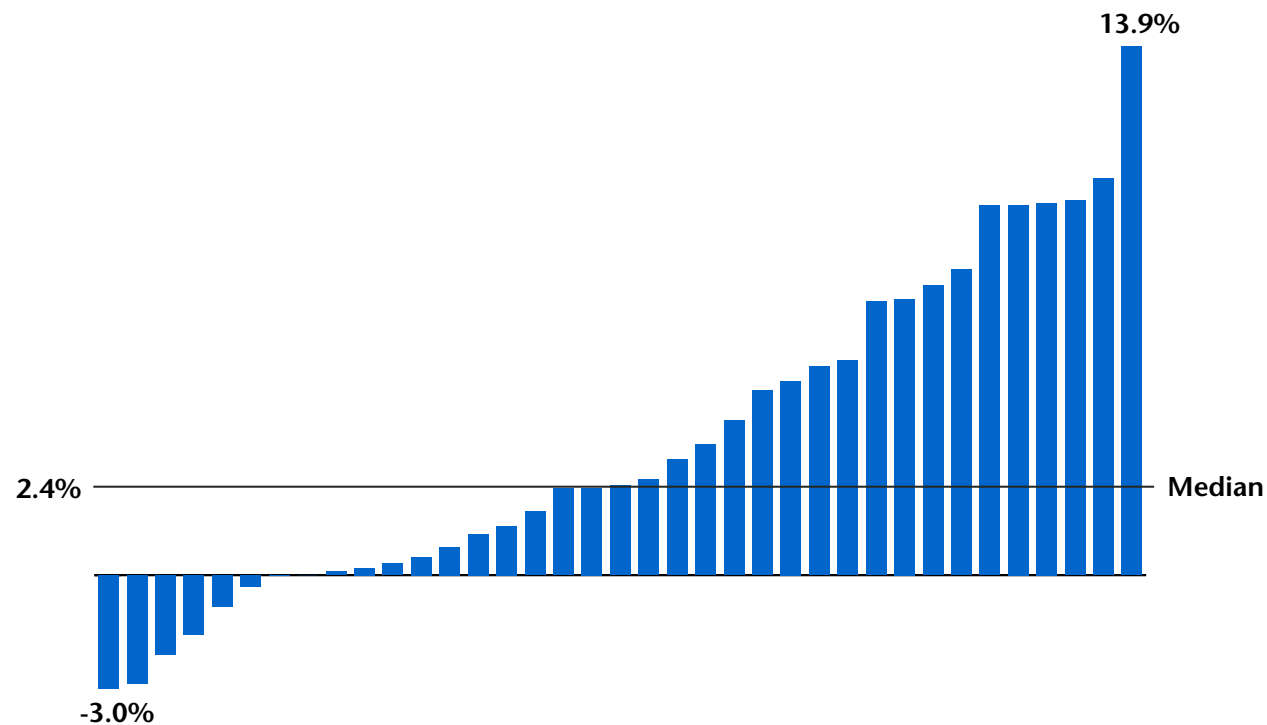
CHC Median Financial Margins by Fiscal Year



The total financial performance for community health centers (CHCs) has been positive in each of the past five years, largely due to positive non-operating margins.

Note: Fiscal year ends (FYE) vary across CHCs: of 37 CHCs, 30 have a 6/30 FYE, 4 have a 9/30 FYE, 2 have a 12/31 FYE, and 1 has a 7/31 FYE.
Source: CHC Audited financial statements for free standing CHCs from FY03 through FY07; for FY03, FY04, FY05, FY06, FY07, 35, 34, 35, 35 and 37 CHCs, respectively, are included in this analysis.

CHC Total Margin in FY07

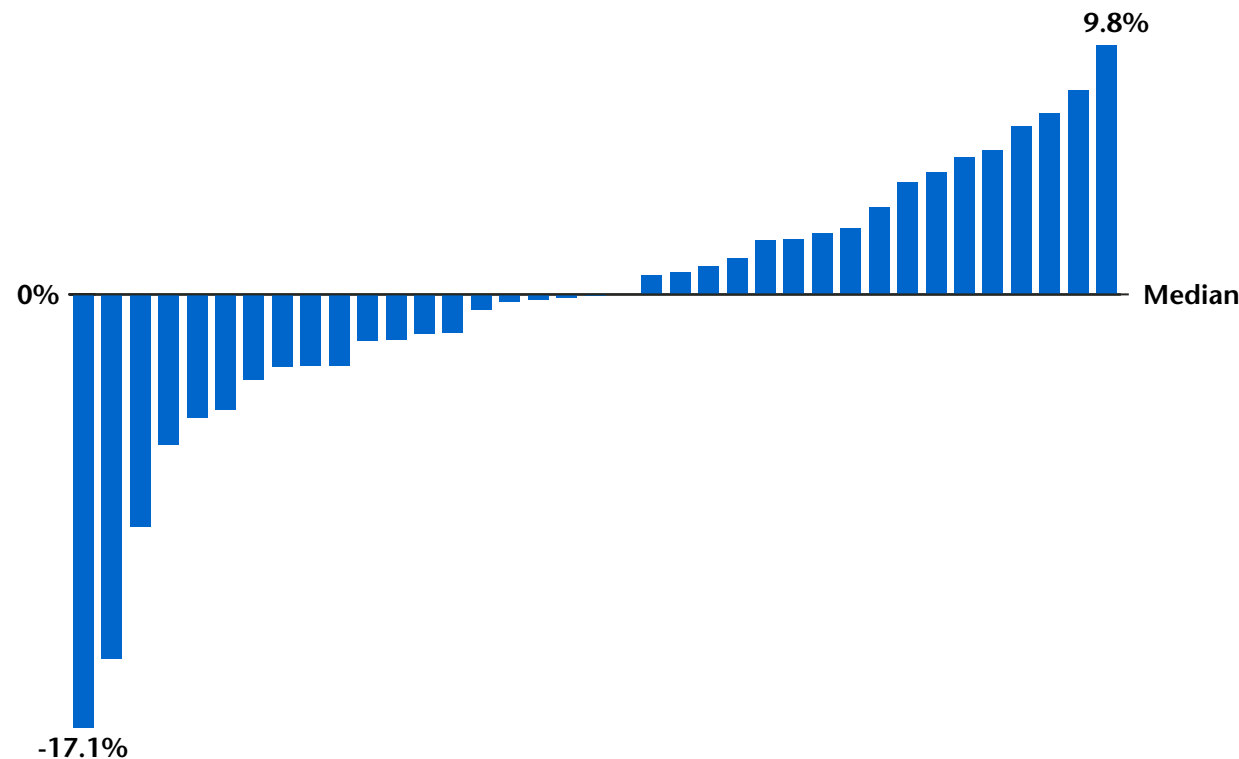


The total margin for community health centers ranged from -3% to 13.9% in their 2007 fiscal year. The majority of community health centers experienced positive total margins in their 2007 fiscal year.

Please see page 29 for a complete list of Massachusetts community health centers.

Notes: Total margin is calculated by dividing total income by total revenue. Fiscal year ends (FYE) vary across CHCs: of 37 CHCs, 30 have a 6/30 FYE, 4 have a 9/30 FYE, 2 have a 12/31 FYE, and 1 has a 7/31 FYE.
Source: CHC Audited financial statements for 37 free standing CHCs in FY07.

CHC Operating Margin in FY07

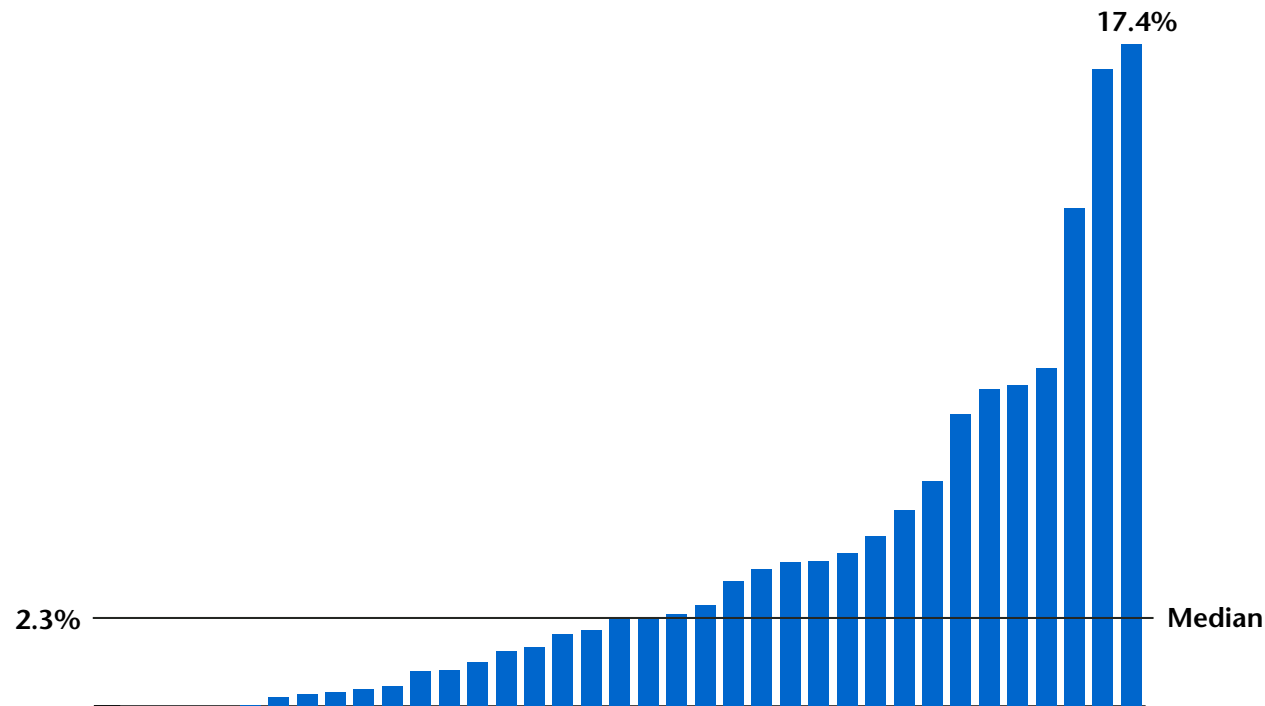


Operating margins for community health centers ranged from -17.1% to 9.8% in their 2007 fiscal year. Just over one-half of community health centers experienced positive operating margins, while just under one-half lost money on operations.

Please see page 29 for a complete list of Massachusetts community health centers.

Notes: Operating margin is calculated by dividing operating income by total revenue. Fiscal year ends (FYE) vary across CHCs: of 37 CHCs, 30 have a 6/30 FYE, 4 have a 9/30 FYE, 2 have a 12/31, and 1 has a 7/31 FYE.
Source: CHC Audited financial statements for 37 free standing CHCs in FY07.

CHC Non-Operating Margin in FY07



Non-operating margins for community health centers ranged from 0% to 17.4% in their 2007 fiscal year.

Please see page 29 for a complete list of Massachusetts community health centers.

Notes: Non-operating margin is calculated by dividing non-operating income by total revenue. Fiscal year ends (FYE) vary across CHCs: of 37 CHCs, 30 have a 6/30 FYE, 4 have a 9/30 FYE, 2 have a 12/31, and 1 has a 7/31 FYE.
Source: CHC Audited financial statements for 37 free standing CHCs in FY07.

Community Health Center Financial Performance

in FY07

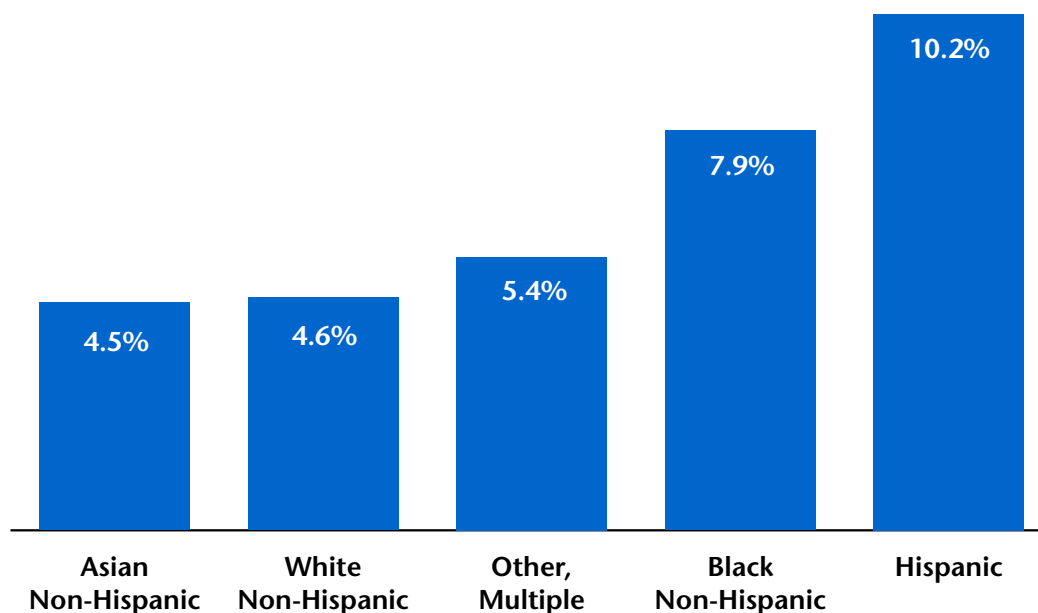
Community Health Centers	Operating Margin	Non-Op Margin	Total Margin	Profit (Loss)
Boston Health Care for the Homeless Program	2.4%	2.7%	5.1%	\$1,172,000
Brockton Neighborhood Health Center	6.6%	0.5%	7.2%	\$723,000
Caring Health Center, Inc.	7.2%	0.5%	7.6%	\$830,000
CHP Health Center	5.7%	4.0%	9.7%	\$352,000
Community Health Center of Cape Cod	-14.3%	17.4%	3.0%	\$84,000
Community Health Center of Franklin County, Inc.	-0.3%	5.9%	5.6%	\$262,000
Community Health Connections Family Health Center	2.2%	3.3%	5.5%	\$572,000
Community HealthLink	0.0%	0.0%	0.0%	\$1,000
Dimock Community Health Center	-9.2%	8.3%	-0.8%	-\$230,000
Duffy Health Center	-4.5%	1.6%	-3.0%	-\$77,000
Family Health Center of Worcester	0.7%	0.3%	1.1%	\$221,000
Fenway Community Health Center	0.9%	8.9%	9.8%	\$2,376,000
Great Brook Valley Health Center	-0.1%	0.2%	0.1%	\$22,000
Greater Lawrence Family Health Center, Inc.	9.8%	0.0%	9.8%	\$3,202,000
Greater New Bedford Community Health Center, Inc.	-1.5%	3.8%	2.3%	\$278,000
Harbor Health Services, Inc.	2.6%	1.5%	4.1%	\$1,391,000
Harvard Street Neighborhood Health Center	0.0%	0.0%	0.0%	-\$1,000
HealthFirst Family Care Center, Inc.	1.1%	1.2%	2.3%	\$99,000
Hilltown Community Health Centers, Inc.	-2.8%	7.7%	4.8%	\$252,000

Community Health Centers	Operating Margin	Non-Op Margin	Total Margin	Profit (Loss)
Holyoke Health Center, Inc.	-0.2%	1.0%	0.7%	\$119,000
Island Health Care	4.8%	2.4%	7.2%	\$68,000
Joseph M. Smith Community Health Center	-0.6%	1.9%	1.3%	\$117,000
Lowell Community Health Center	2.1%	0.4%	2.5%	\$403,000
Lynn Community Health Center	1.4%	0.9%	2.3%	\$587,000
Manet Community Health Center, Inc. at North Quincy	-1.8%	2.0%	0.2%	\$15,000
Mattapan Community Health Center	-17.1%	16.7%	-0.3%	-\$17,000
North End Community Health Center	-5.9%	3.8%	-2.1%	-\$177,000
North Shore Community Health, Inc.	8.1%	2.3%	10.4%	\$512,000
Outer Cape Health Services, Inc.	-2.8%	4.5%	1.7%	\$105,000
River Valley Counseling Center	3.4%	0.0%	3.4%	\$193,000
Roxbury Comprehensive Community Health Center, Inc.	-1.6%	0.0%	-1.6%	-\$142,000
Sidney Borum, Jr. Health Center	-2.8%	0.0%	-2.8%	-\$58,000
South Cove Community Health Center	5.4%	8.5%	13.9%	\$2,879,000
South End Community Health Center	-4.9%	5.2%	0.3%	\$24,000
SSTAR Family Healthcare Center	-1.8%	2.3%	0.5%	\$62,000
Upham's Corner Health Center	4.4%	3.6%	8.0%	\$1,816,000
Whittier Street Health Center	-3.4%	13.1%	9.7%	\$1,014,000

Source: CHC Audited financial statements for 37 free standing CHCs in FY07.

Uninsured by Race and Ethnicity

Percent of All Massachusetts Residents, 2007

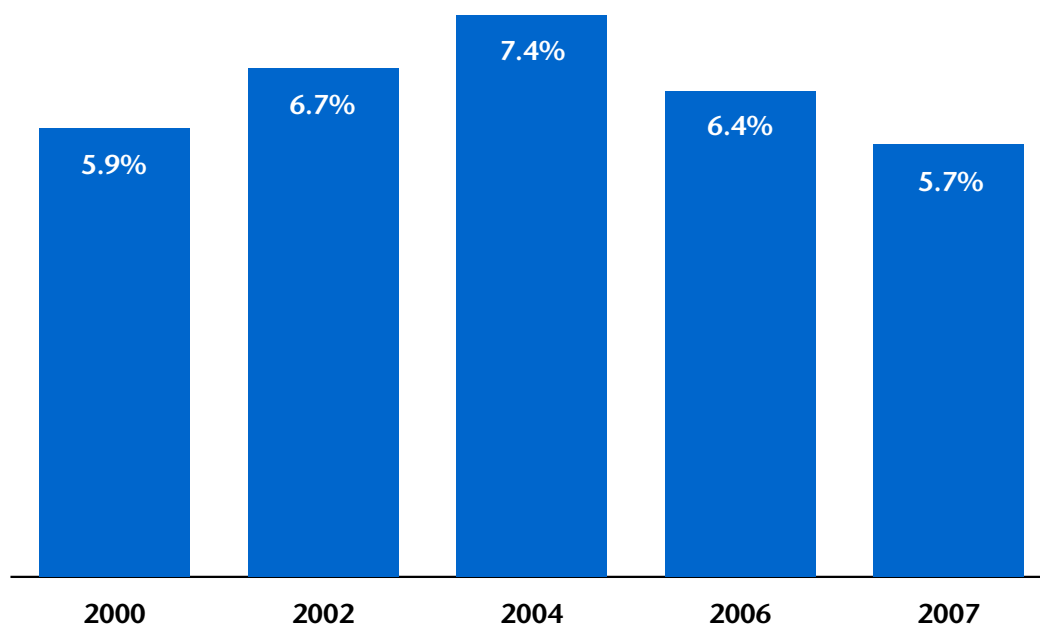


In 2007, 5.7% of all Massachusetts residents did not have health insurance. However, Hispanics and Black Non-Hispanic residents have higher rates of uninsurance when compared to other races and ethnicities.

Source: DHCFP Household Survey for 2007 conducted January through July of 2007.

Don't Have Health Insurance

Percent of All Massachusetts Residents

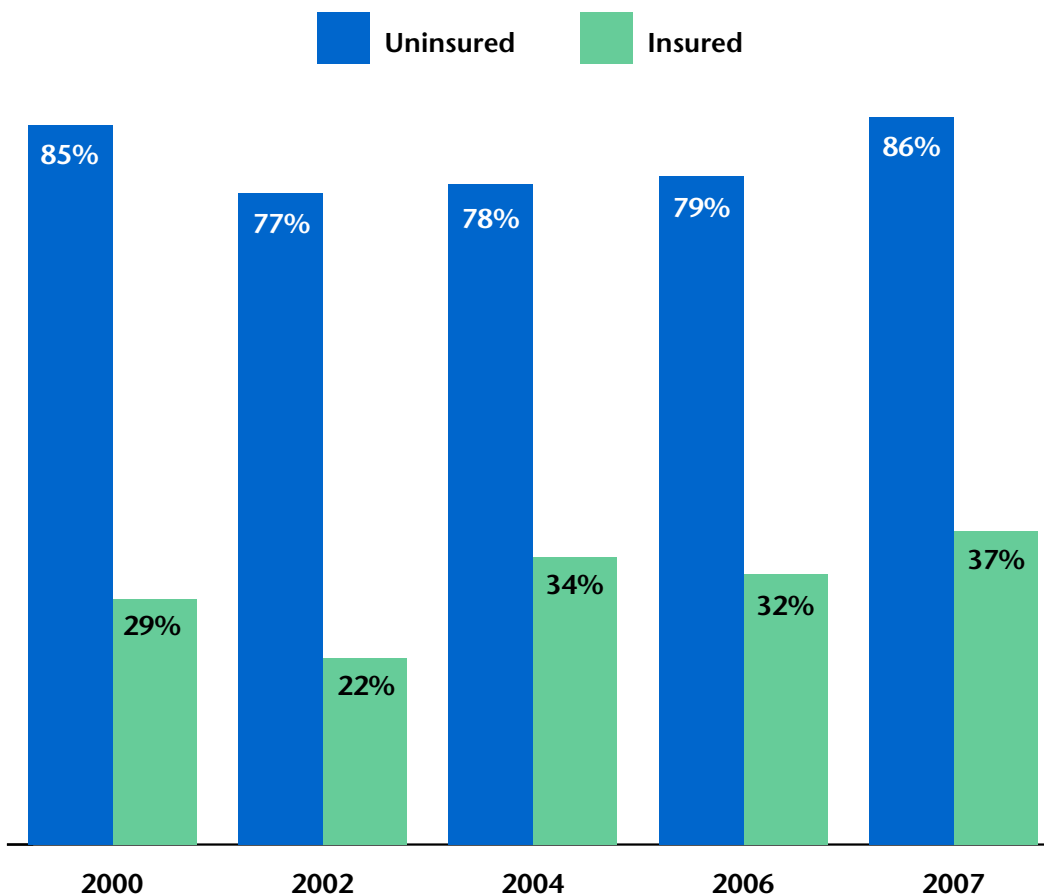


The overall uninsured rate for Massachusetts dropped from 6.4% in 2006 to 5.7% in 2007, and the number of people without coverage fell from 395,000 to 355,000, a 10% decrease reflecting the successful early implementation of health reform.

Sources: DHCFP Household Survey for 2000, 2002, 2004, 2006, and 2007; surveys from 2000 through 2006 conducted February through June of the survey year; survey for 2007 conducted January through July of 2007.

Needed Care but Cost Was an Obstacle

Percent of Adults Ages 19 to 64

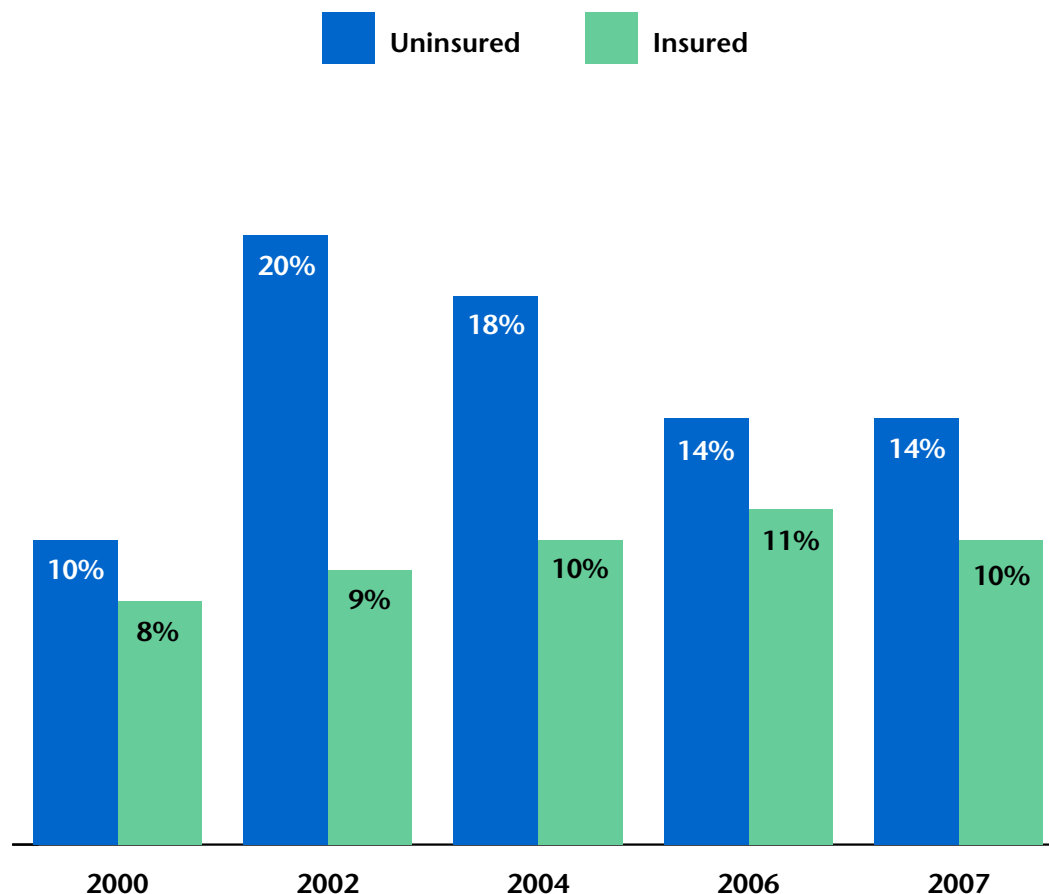


Cost appears to be a growing obstacle to accessing health care for Massachusetts residents and remains a significant barrier for most people without health coverage.

Source: DHCFP Household Survey for 2000, 2002, 2004, 2006, and 2007. The surveys from 2000 through 2006 are conducted from February through June of the survey years. The 2007 survey was conducted from January through July of the survey year.

Reported Being in Fair or Poor Health

Percent of Adults Ages 19 to 64

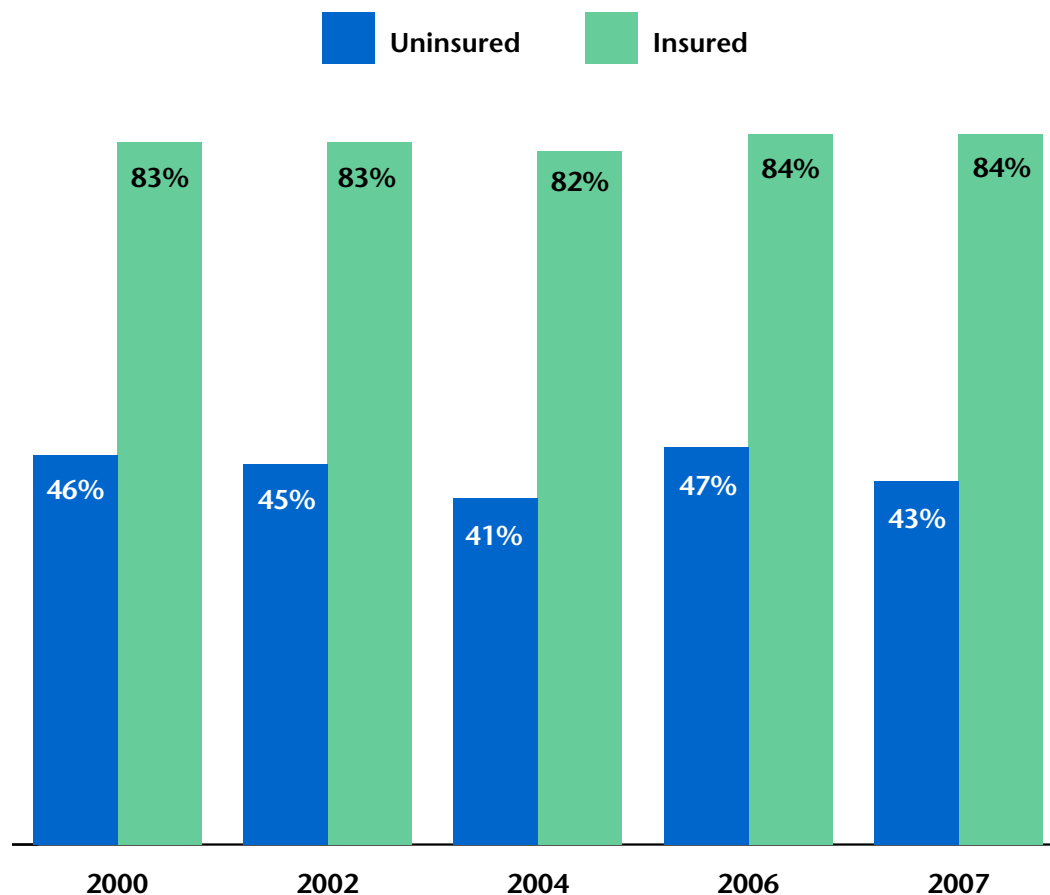


Most Massachusetts residents surveyed, both insured and uninsured, reported being in good or excellent health.

Note: The differences between insured and uninsured residents are statistically significant for 2002, 2004, and 2007.

Source: DHCFP Household Survey for 2000, 2002, 2004, 2006, and 2007. The surveys from 2000 through 2006 are conducted from February through June of the survey years. The 2007 survey was conducted from January through July of the survey year.

Reported Having a Dental Visit in the Past Year, Percent of Adults Ages 19 to 64

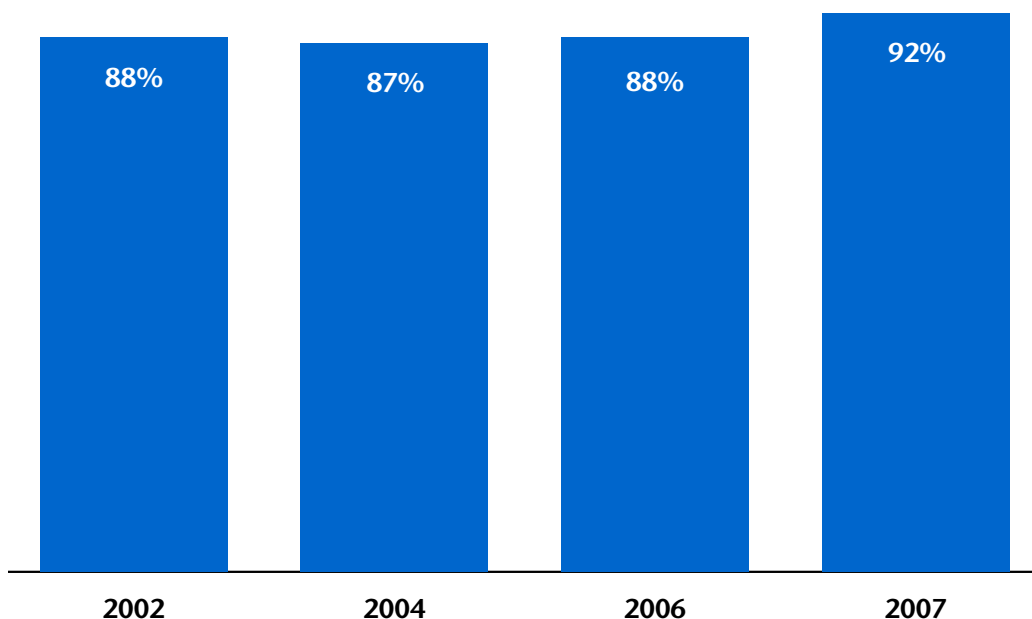


Only 43% of uninsured Massachusetts residents reported getting dental care in the past year compared to 84% of those with insurance coverage.

Source: DHCFP Household Survey for 2000, 2002, 2004, 2006, and 2007. The surveys from 2000 through 2006 were conducted from February through June of the survey years. The 2007 survey was conducted from January through July of the survey year.

Have a Personal Care Provider

Percent of Adults Ages 18+



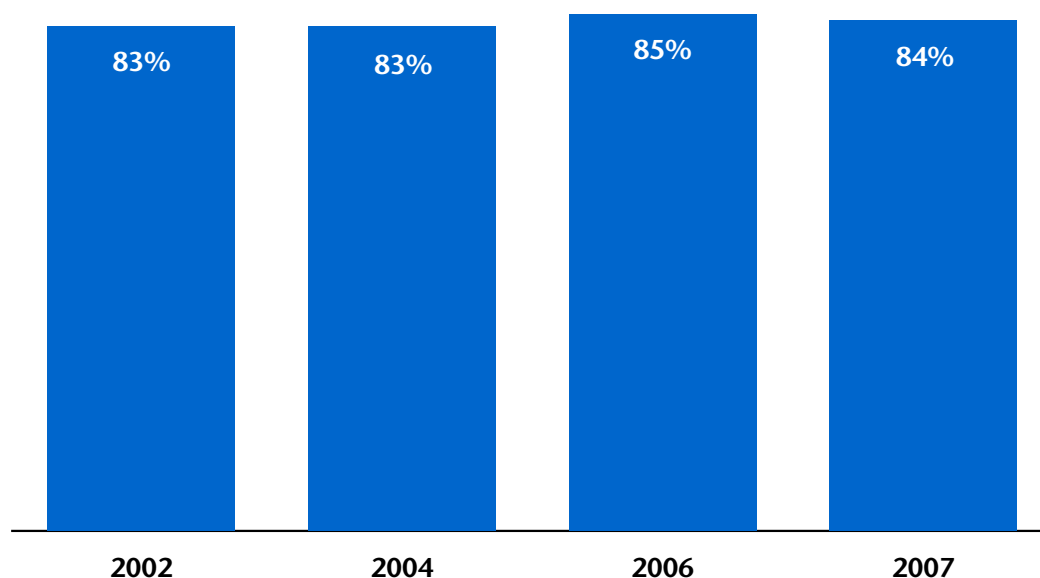
Percent of Adults Ages 18+ by Race/Ethnicity (95% Confidence Interval):

White	90% (89% - 91%)	90% (88% - 91%)	90% (89% - 91%)	94% (93% - 94%)
Black	82% (77% - 87%)	88% (83% - 93%)	87% (83% - 92%)	88% (86% - 90%)
Hispanic	70% (65% - 75%)	66% (60% - 72%)	70% (65% - 76%)	81% (79% - 83%)
Asian	78% (71% - 85%)	83% (77% - 90%)	80% (72% - 89%)	86% (82% - 89%)

Source: Massachusetts Department of Public Health (DPH) results from the Behavioral Risk Factor Surveillance System (BRFSS) for 2002, 2004, 2006 and 2007; BRFSS survey conducted throughout the year.

The vast majority of Massachusetts residents surveyed reported having a personal health care provider, a percentage that increased slightly in 2007 for all racial groups. However, a significantly lower percentage of Blacks, Hispanics and Asians reported having a personal health care provider compared to Whites.

Had a Mammogram in the Past 2 Years, Percent of Women Ages 40+



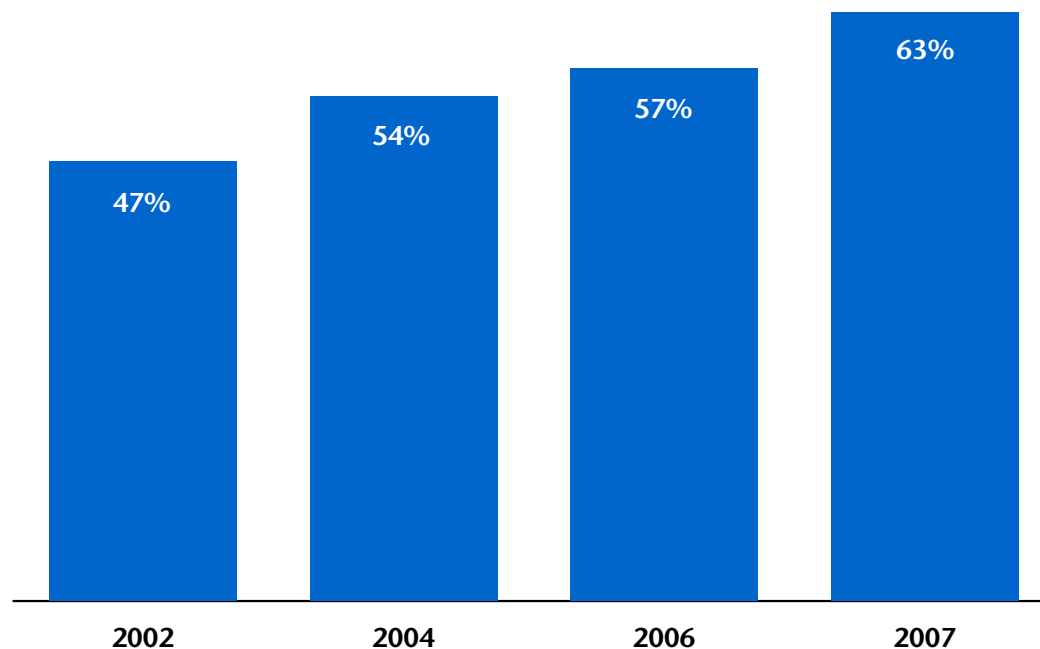
Percent of Women Ages 40+ by Race/Ethnicity (95% Confidence Interval):

White	83% (81% - 85%)	82% (81% - 84%)	85% (84% - 87%)	85% (83% - 86%)
Black	82% (71% - 92%)	79% (64% - 95%)	80% (71% - 89%)	82% (75% - 89%)
Hispanic	86% (80% - 92%)	88% (82% - 93%)	87% (82% - 92%)	87% (82% - 92%)
Asian	Insufficient Data	Insufficient Data	Insufficient Data	Insufficient Data

Source: Massachusetts Department of Public Health (DPH) results from the Behavioral Risk Factor Surveillance System (BRFSS) for 2002, 2004, 2006 and 2007; BRFSS survey conducted throughout the year.

Most Massachusetts female residents ages 40 and older reported having a mammogram to screen for breast cancer.

Had a Sigmoidoscopy or Colonoscopy in the Past 5 Years, Percent of Adults Ages 50+



Percent of Adults Ages 50+ by Race/Ethnicity (95% Confidence Interval):

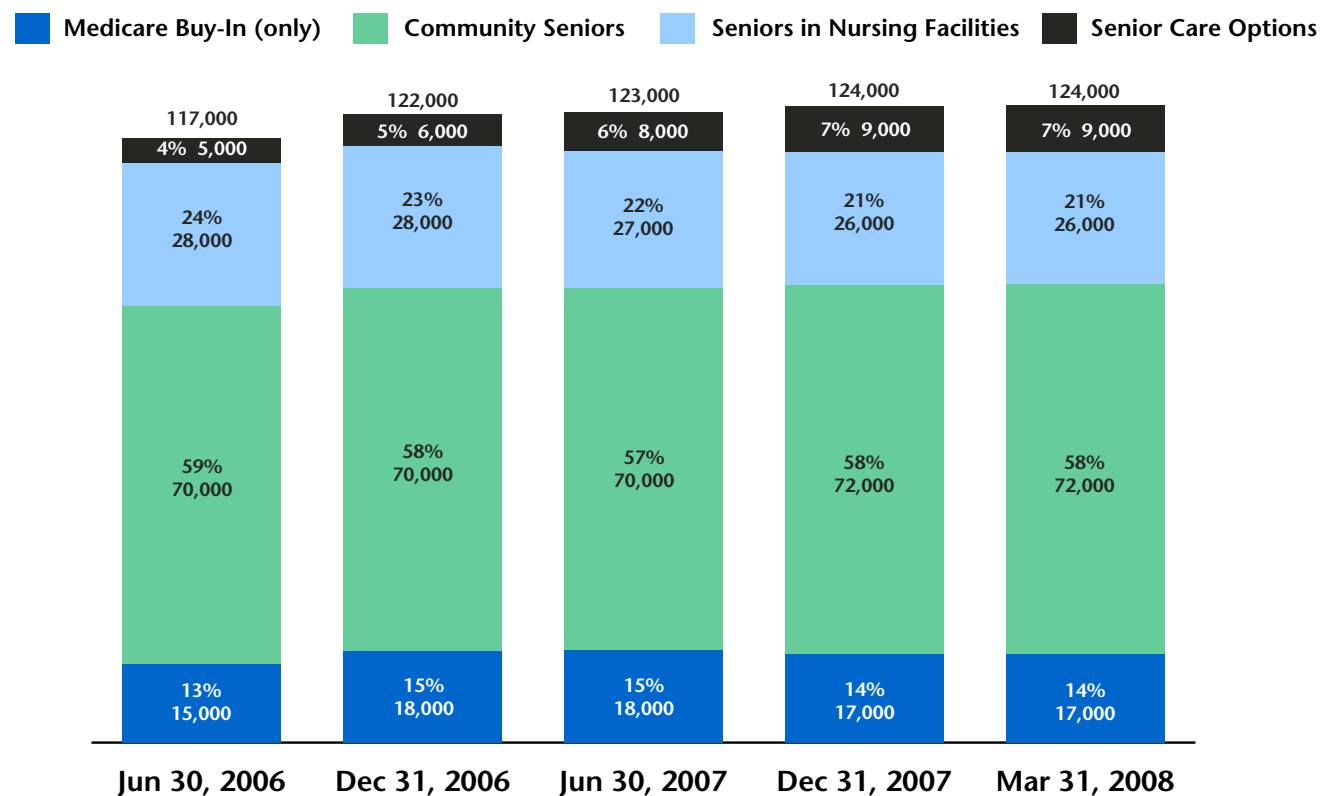
White	39% (37% - 42%)	48% (45% - 50%)	55% (52% - 57%)	63% (62% - 65%)
Black	54% (41% - 67%)	49% (34% - 63%)	54% (41% - 66%)	66% (58% - 74%)
Hispanic	30% (20% - 40%)	35% (24% - 45%)	51% (41% - 61%)	57% (50% - 64%)
Asian	Insufficient Data	Insufficient Data	Insufficient Data	Insufficient Data

Source: Massachusetts Department of Public Health (DPH) results from the Behavioral Risk Factor Surveillance System (BRFSS) for 2002, 2004, 2006 and 2007; BRFSS survey conducted throughout the year.

The number of Massachusetts residents ages 50 and older that reported having a sigmoidoscopy or colonoscopy to screen for colorectal cancer has increased significantly since 2002.

MassHealth Members

Ages 65 and Older

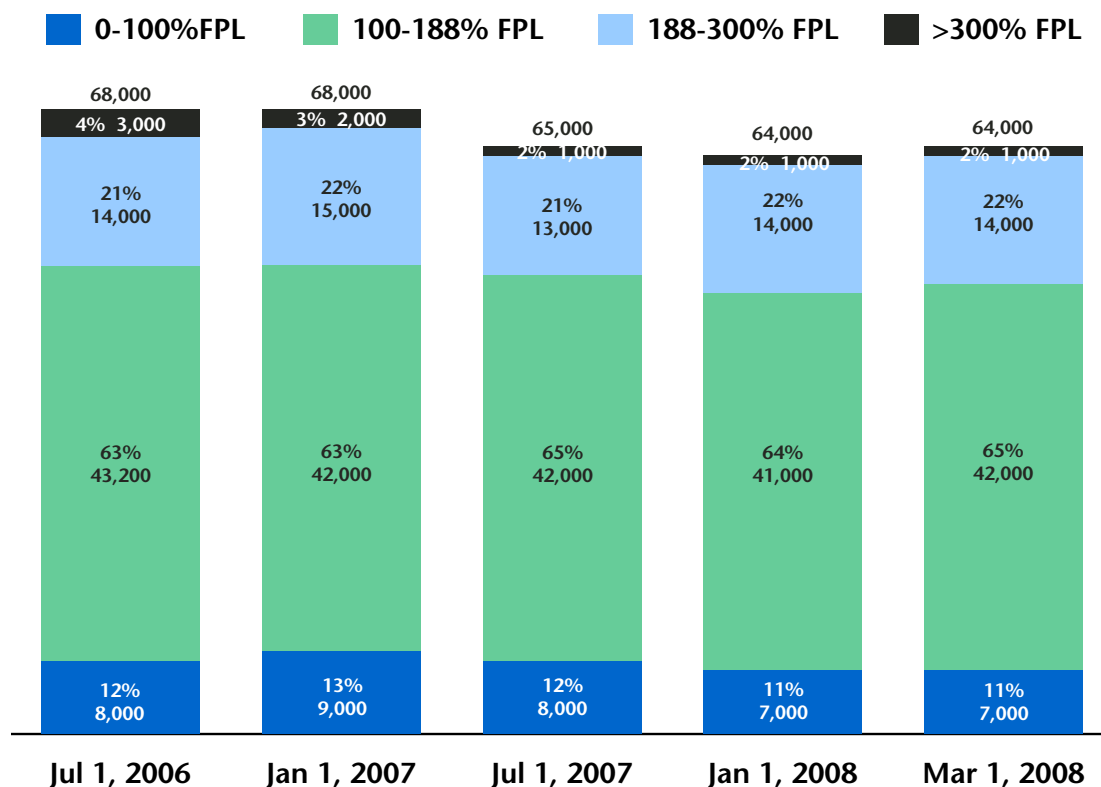


Since June 30, 2006, the number of seniors with MassHealth coverage residing in nursing facilities has declined by approximately 2,000.

The number of Senior Care Options (SCO) enrollees has increased by approximately 4,000 in this same period.

Numbers rounded to the nearest thousand. Percents may not sum to 100% due to rounding.
Source: MassHealth Monthly Enrollment Snapshot Report as of April 2008.

Enrollment in Prescription Advantage for Seniors (ages 65 and older) by Percent of FPL



Approximately 7% of Massachusetts residents ages 65 and older are enrolled in Prescription Advantage.

Three-quarters of those enrolled have incomes below 188% of the Federal Poverty Level.

Enrollment declined after Medicare Part D was implemented in January 2006, but has held steady since continuous open enrollment became available in August 2007.

Numbers rounded to the nearest thousand. Percents may not sum to 100% due to rounding.

Source: Massachusetts Executive Office of Elder Affairs; US Census estimates from July 1, 2007 used to calculate the percent of Massachusetts residents ages 65 and older enrolled in Prescription Advantage.

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